

## **Money & Banking**

All 'Money' must be:

- Divisible (break into smaller amounts)
- Portable (be able to carry it around)
- Durable (stand wear and tear)
- Scarce (there is a limited supply of it)

### **Factors to consider when choosing a place to save your money.**

1. Level of interest offered
2. Level of D.I.R.T to be paid
3. Security
4. Accessibility

### **D.I.R.T**

Deposit Interest Retention Tax. This is the tax you pay on any interest you earned in a savings account. (By law if you make a profit you have to pay tax on it).

### **Forms of Money**

Cash (coin/notes)

Cheques

Debit Cards

Credit Cards

Charge Cards

A.T.M (automated teller machine)

P.I.N (Personal Identification Number)...security number for using an ATM

## **Places to Save Money**

### **(1) An Post**

Good place to save your money as you earn high rates of interest, your money is state guaranteed, and you do not pay DIRT, and there is good accessibility. You can buy Savings Certificates/Bonds.

### **(2) Credit Union**

Good place to save your money as you earn high rates of interest, have good accessibility, and they are excellent for getting small loans. However you do pay DIRT.

### **(3) Building Society's**

Another good place to save your money as you get good rates of interest, you do pay DIRT. Building Societies are used for getting Mortgages (loans to buy a house).

### **(4) Commercial Banks**

The main commercial banks in Ireland are (Bank of Ireland, Allied Irish Bank, Ulster Bank, National Irish Bank, Permanent TSB, and Bank of Scotland)

- Deposit Accounts

These are used for saving money in as you earn interest. You pay DIRT on the interest earned.

- Current Accounts

These accounts are used for the day-to-day management of your money. When you open a current account you get a cheque book, ATM card, laser card.

### **Cheques**

A cheque is basically a letter to the bank giving them permission to take money out of your account and give it to a third party.

### **Standing Order**

Permission to the bank to take the same amount of money out of your account on the same date every month and give it to a third party. E.g. Your Mortgage bill / Rent / Loan repayments, as they are the **same** amount every month.

### **Direct Debit**

Permission to the bank to take a different amount of money out of your account on a different date every month and give it to a third party. E.g. ESB / Gas / Phone Bills, as they are a **different** amount each month.

### **Cheques**

**Drawee:** The Bank in which the account is held.

**Drawer:** The person who writes the cheque.

**Payee:** The person receiving the cheque.

There are three numbers at the bottom of a cheque; they are in the following order:

e.g.	00029	225566	215848596
	Cheque Number	Bank Number (Sort Code)	Account Number

