

BANKING AND FINANCE

1 Look at the following story and put the paragraphs in the correct order.

CAUGHT IN THE CREDIT TRAP

a It all sounded too good to be true, so I immediately signed up. I closed my account at my old bank and opened up a new one at “High Street International”, one of the banks affiliated with the Unicard. I had a current account for my everyday purchases and a high-interest savings account for any money I could manage to put aside.

b Then Christmas came round, and I went on a mad shopping spree, buying expensive presents for everybody on my credit card. Everybody in my family was extremely impressed by how nice Santa Claus was to them that year, and my girlfriend especially loved the expensive gold necklace I bought for her. Nobody bothered to ask how I could afford such nice gifts, so I didn’t worry about it either.

c The Unicard was far more than just a credit card, he claimed. It was also a cash card which could be used at cash dispensers all over the country to make withdrawals and deposits without having to deal with a real bank clerk. What’s more, it was also a direct debit card which could be used in most shops to pay directly from my bank account instead of paying in cash. And, of course, it was also a conventional credit card with, wonder of all wonders, a 1,600-pound credit limit.

d I got my first (and last) credit card when I was at university. I walked out of the college bookstore one day to find a whole crowd of young salesmen trying to sign up students on the new Unicard program. This new card, as a smart young man told me, was soon

going to replace all other forms of currency as the world’s main method of buying and selling goods and services.

e The fun all ended one afternoon when a man from the Unicard Collection Agency arrived at my house and, informing me that my credit limit was used up and my cheque account was severely overdrawn, demanded that I pay him immediately. When I told him that I couldn’t, he ripped up my beloved Unicard and immediately proceeded to repossess all of the presents I had bought for people. My girlfriend was so upset at losing the gold necklace that she dumped me, and my parents had to foot most of the bill for my shopping spree. What’s worse, my credit is now ruined, so I will never be able to take out a student loan to continue my studies, a car loan to buy a new car, or a mortgage to buy a new house. But I still have my Unicard, taped back together and encased in glass on my desk, as a reminder to never, ever get another credit card as long as I live.

f Then the trouble started. I had never been any good at balancing my chequebook, and before I got my Unicard, I had always just taken money out of my account until the cash machine told me I had none left. But with my new account, any overdrafts were automatically paid for out of my credit account. My bank statement was so confusing that I had no idea this was going on, and I spent money right and left, quickly getting myself into debt.

2 Choose the word for the following definitions and explain the meaning of the other expressions.

1 Take back goods which were bought on credit but not paid for in the agreed time.
a) sign up b) overdraw c) repossess d) afford

2 Stop doing business with a bank.
a) open an account b) get oneself into debt c) make a withdrawal d) close an account

3 Take more money out of your bank than you actually have in your account.
a) overdraw b) charge c) take out a loan d) affiliate

4 Keep track of all of the money you take out of your account.
a) automatically pay b) make a deposit c) receive your bank statement d) balance your chequebook

5 The account you use for most transactions.
a) current account b) high-interest account c) credit limit d) savings account

6 To pay for something.
a) open an account b) make a deposit c) foot the bill d) withdraw cash

3 In pairs, choose one of the paragraphs and act out one of the conversations that might have taken place in it.

4 Summarise each of the paragraphs or write a topic sentence for each of them.



Underline the most suitable word or phrase.

- a) I haven't got enough money, I'm afraid. Could you *borrow/lend* me some?
- b) This car is too expensive. We can't *afford/pay* it.
- c) There's a small flat to *hire/let* in Bridge Street.
- d) How much do you *earn/gain* in your new job?
- e) She's a good dentist, but she doesn't *charge/spend* too much.
- f) I bought this coat in the sales. It was *decreased/reduced* a lot.
- g) Jack made his *fortune/treasure* buying and selling property.
- h) How much do you *reckon/value* that house would cost?

2 Replace each word or phrase in *italics* with a word or phrase from the box which has the opposite meaning.

cash ~~generous~~ profit well off poverty
 purchase take out worthless

- a) I was surprised by how *mean* Charles was. ..**generous**...
- b) Janet says that she is very *hard up* at the moment.....
- c) Last year their business made a huge *loss*.
- d) I'd like to *pay in* £100 please.....
- e) Most people in the city live in great *prosperity*.....
- f) The manager insisted that I paid by *cheque*.....
- g) Jean was able to make only one *sale* during the morning.....
- h) The old painting I found in the loft turned out to be *valuable*.....

3 Complete each sentence with a word from the box. Use each word once only.

safe wealth ~~pension~~ rent tip credit card loan receipt

- a) The old couple had only a small.....**pension**..... to live on.
- b) My uncle Sam acquired his considerable.....selling cars.
- c) David never carries cash with him and pays for everything by
- d) I wouldn't have been able to buy my boat without a bank.....
- e) The shop won't change any goods without the original.....
- f) Keith didn't like the waiter so he didn't leave a.....
- g) The house is not in very good condition so the.....is low.
- h) We keep all our money and valuables in this.....in the floor.