

## Grade 7 EMS Worksheet

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### Assessment Task: Electronic Banking

#### Technology in banking (Individual activity)

a) Consult a dictionary or do some research if necessary to explain what each of the following concepts mean:

(i) ATM

(ii) Electronic funds transfer

(iii) Internet banking

[3 marks]

b) Complete the following table by listing one advantage and one disadvantage for a business in using each of these types of banking:

[6 marks]

	<b>Advantage</b>	<b>Disadvantage</b>
(i) ATM		
(ii) Electronic funds transfer		
(iii) Internet banking		

c) Which two typical banking transactions does a business do? Give one reason for each transaction.

[4 marks]

d) Give two reasons why a business needs to receive a bank statement monthly. [2 marks]

[Total: 15 marks]

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### Suggested Solutions

Question number	Possible marks	Solution												
1	15	<p>a) (i) Automatic teller machines are machines that allow you access to your banking through smart card technology. They allow the customer to do basic banking transactions even if the bank is closed. [1 mark]</p> <p>(ii) Electronic funds transfer is the transfer of funds using electronic means, such as computer, ATM, magnetic tape or telephone. [1 mark]</p> <p>(iii) Internet banking allows the business access to its bank account online at any time. [1 mark]</p> <p>b) [6 marks]</p> <table border="1"> <thead> <tr> <th></th> <th>Advantage</th> <th>Disadvantage</th> </tr> </thead> <tbody> <tr> <td>(i) ATM</td> <td>Closer and faster than going to the bank Immediate access to funds (any one)</td> <td>Risk of being mugged when using ATM Have to remember PIN (any one)</td> </tr> <tr> <td>(ii) Electronic funds transfer</td> <td>No risk of handling cash Convenient to do EFTs via Internet (any one)</td> <td>Must have access to Internet to transfer funds yourself</td> </tr> <tr> <td>(iii) Internet banking</td> <td>It is convenient; you do it from your home. Keep track of transactions on bank account Greatly reduced bank charges (any one)</td> <td>Viruses could attack the website, making it impossible for you to do your banking Hackers could get hold of your information and transact on your account (any one)</td> </tr> </tbody> </table> <p>c) A business withdraws money from its account, in order to make payments for supplies, wages and other expenses. A business also deposits money into its account for safekeeping and to earn interest on the money in the account. [4 marks]</p> <p>d) To keep track of all payments made. To verify deposits made into the account. To prove income. To compile bank reconciliation and other financial statements. To check that there are no unauthorised payments made from the account. (any two) [2 marks]</p>		Advantage	Disadvantage	(i) ATM	Closer and faster than going to the bank Immediate access to funds (any one)	Risk of being mugged when using ATM Have to remember PIN (any one)	(ii) Electronic funds transfer	No risk of handling cash Convenient to do EFTs via Internet (any one)	Must have access to Internet to transfer funds yourself	(iii) Internet banking	It is convenient; you do it from your home. Keep track of transactions on bank account Greatly reduced bank charges (any one)	Viruses could attack the website, making it impossible for you to do your banking Hackers could get hold of your information and transact on your account (any one)
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