Mohamed Khider University of Biskra
Faculty of Economics, Commerce and Management Sciences
Department of Commercial Sciences
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Course: English Language.
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Grade: M1 Finance and International Commerce

6th Course: Banking

1. Lead in discussion:

- What do we mean by ‘Banking’?
- What is bank?
- What are the services that banks provide?
- How can a customer access his stored money in the banks

2. Reading:

Banks are financial institutions that provide customers with a variety of valuable services, including the ability to transmit money to a person or company, the ability to store money in a **checking or savings account**, the ability to collect **interest on investments**, the ability to receive **loans**, and much more.

Banks are most commonly used by customers who wish to store their money and access it as needed, with a **debit card** (a card that is simply attached to the funds in one's account), or **checks** (individually numbered paper slips that can be used to designate a transfer of funds). **Checking and savings accounts** are the primary means of storing money in a bank; a checking account is designed to house money that will be spent, while a savings account is designed to house money that will be saved. Banks usually pay a small amount of **interest** to customers. This is their way of showing support for clients who entrust them with their money.

These funds are then used by banks, along with their credit, to perform other functions and offer additional services. For example, many customers use banks to secure **home mortgages**, or **multiyear loans** through which ownership (or **equity**) of a home is achieved. Customers demonstrate that they are able to pay a mortgage back (usually by providing proof of income and investments, in addition to a **down payment**), and select a time period for this mortgage; short mortgage payment periods require larger monthly payments, but customers are charged less interest, while longer mortgage payment periods require smaller monthly payments, but customers are charged more interest.

Lastly, many banking customers request a **personal loan**. Personal loans are loans issued and approved by financial experts that are designed to be used by customers for specific purposes. For example, one may secure a personal loan for a business plan or an automobile. Personal loans, like home mortgages, are issued based upon a customer's ability to pay the borrowed sum back; banks also charge a small amount of **interest**, meaning in this case a percentage of the borrowed money extra, besides its core balance.

3. Reading Comprehension:

Did you understand the text?

Please answer the following questions of understanding:

Question 1:

What are banks?

A 1. Desktop containers wherein money is stored

b . Multifaceted financial institutions that provide an array of services

C. 3. Places where companies earn extra money

d 4. Establishments used exclusively by investors to increase their worth

Question 2:

How is money most commonly stored in a bank?

a 1. In the vault

b 2. In the form of stocks and bonds

c 3. In personal checking and savings accounts

d 4. In a number of saves

Question 3:

What is a home mortgage?

a 1. A means through which banks pay customers for their home

b 2. A complex home ownership plan sold by banks to clients

c 3. Fees charged by a bank for home repair costs

d 4. A loan commonly issued by banks that allows qualified clients to own their home, provided they offer a down payment and pay their monthly mortgage bill for the agreed upon period

Question 4:

What is a personal loan?

a 1. Money given freely by creditors for almost any purpose

b 2. A loan offered by creditors to be used for the payment of a house

c 3. A loan issued by a creditor to a qualified individual for a pre-determined purpose

d 4. Money available to anyone who visits a bank twice weekly

Question 5:

What is interest?

a 1. The amount of attention given or shown by a person

b 2. A percentage of a sum that is charged to credit customers

c 3.The means through which a creditor or provider of funds is paid for his or her support

d 2) and 3)