



Forms of Payment

Use the information in Fact Sheets FB1-4 - Forms of Payment 1-4 to answer the following questions:

1. Give one advantage and one disadvantage of paying by cash.
2. Explain what is meant by having a cheque 'cleared' and having a cheque 'bounce'.
3. Explain what PIN means and what could happen if you reveal it to others.
4. Which form of payment might be best to use on holiday abroad and why?
5. How old do you have to be to have a credit card and what is it used for?
6. What is the main difference between a debit card and a credit card?
7. What is one disadvantage of using store cards?
8. What should you always aim to do when you get your monthly credit card and store card statement and why?
9. Explain the difference between a direct debit and a standing order.
10. Explain what electronic transfer and internet banking is and how you do it.

DID YOU KNOW?

When booking tickets for an event, you'll usually be informed if there's a charge to use a particular form of payment. If they don't mention it, it's always a good idea to ask!

Activity

Jenny makes the purchases listed below. Because she is 19 years old, she can choose from a wide range of ways to pay. Can you advise her on a sensible method of payment for each of her purchases?

Think about the following:

- Which payment method would be most suitable?
- What would be the advantages of paying this way?
- What would she need to be aware of?

Weekly supermarket shopping

Flowers as a gift to her mum

The bill from a plumber

A CD player from an electrical store

Cinema ticket from a website

A mobile telephone bill (different amounts each month)

Coffee in a local cafe

A set amount of monthly rent

A necklace on a market stall

A jacket in a high-street fashion store