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## ‘Personal Finance Programme’

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Personal finance curricula and training programme  
– Bank Accounts Case Study

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***Emphasys***  
CENTRE

## Erasmus + Personal Finance Programme Module 1: Bank Accounts

### Case Study 1

Anna is an 18 year old from Limassol who has just graduated from secondary school. She is currently preparing to move to Nicosia where she will be studying Journalism at the University of Cyprus. Her course is due to start in six months. As Anna will be living on her own soon, it is essential to open a bank account, but she does not know which type of accounts is more appropriate to cover her current needs.



Based on her research, she realised that there are different types of bank accounts offered from the various banks in Cyprus. As a result Anna has started to compare charging fees, withdrawal limits etc. in order to choose the most appropriate bank account to match not only her needs, but also her lifestyle.

Following her investigation Anna requests an appointment with a banker in the bank of her choice in order to discuss further about opening a 'Current Account'. She has available with her essential documents/evidences which will enable her to open up a bank account.

During the meeting with the banker Anna requests also information about the various types of bank cards available such as debit or credit cards in order for her to obtain one. As Anna will be living on her own soon in a rented flat close to the university, but in another city, away from her parents, she thought that it will be much easier to pay all utility bills on line. As a result, she requests information on this matter as well, as paying on line is considered to be an easy and fast option offered by banks

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## **Erasmus + Personal Finance Programme Module 1: Bank Accounts**

### **Case Study 1**

#### **Questions**

- 1) What documents do you need to set up a bank account?
- 2) What are the main features of a 'Current account'?
- 3) How can you manage your bank account?
- 4) What are the advantages of internet/mobile banking?
- 5) What is the difference between a debit and a credit card?
- 6) What is a Debit card?
- 7) What is a Credit card?
- 8) What is the procedure for acquiring a card?

## Erasmus + Personal Finance Programme Module 1: Bank Accounts

### Case Study 1

#### Answers

#### 1) What documents do you need to set up a bank account?

The specific documents which are necessary to open up a bank account depend on the bank, but you'll normally need:

- Proof of identity (e.g. ID card, passport)
- Proof of local residency (e.g. Utility bills)
- Proof of status (e.g. student card)

#### 2) What are the main features of 'Current account'?

Provides easy access to customers' daily transactions and keeps their cash safe. Customers can use a debit card or cheques to make purchases or pay bills. An overdraft facility can be provided upon request and approval.

#### 3) How can you manage your bank account?

Once customers opened a bank account, they'll have different options for how they want to manage their money:

- Internet Banking
- Mobile Banking Smartphone application
- ATMs
- Visit a local Bank branch

#### 4) What are the advantages of internet/mobile banking?

- Mobile banking lowers a bank's expenses
- Improved customer experience
- Online security
- Pay utility bills

- Transfer money to other accounts
- Pay for goods/services
- Gathering transactions analytics

### **5) What is the difference between a debit and a credit card?**

Debit cards and credit cards have similar features and functions. Both use the logo of a main credit card company, such as Visa or MasterCard.

The main difference between the two cards is where the money is withdrawn from when a purchase is made.

When a customer uses a debit card, the money is withdrawn directly from the connected current account, which needs to have available a specific amount of money in or a fixed overdraft facility to cover the transaction.

When a customer uses a credit card, the purchase is added to the personal credit card account. At the end of each month a bank statement is sent requesting for a payment. In this case payments for purchases are done at a later date.

### **6) What is a Debit card?**

A Debit card can be used to withdraw money directly from a connected current account or to make a purchase. A Personal Identification Number (PIN) may be needed to approve a purchase.

### **7) What is a Credit card?**

A credit card acts more as a loan because it allows the customers to spend money against the card's credit limit. Customers use the card to make basic transactions, which are then recorded in a bank statement.

### **8) What is the procedure for acquiring a card?**

- Open up a bank account
- Fill in an application form for a credit or debit card
- Visit the bank to receive the card

- Obtain the PIN number which for security reasons will be sent by post approximately within 2 days from the application date

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