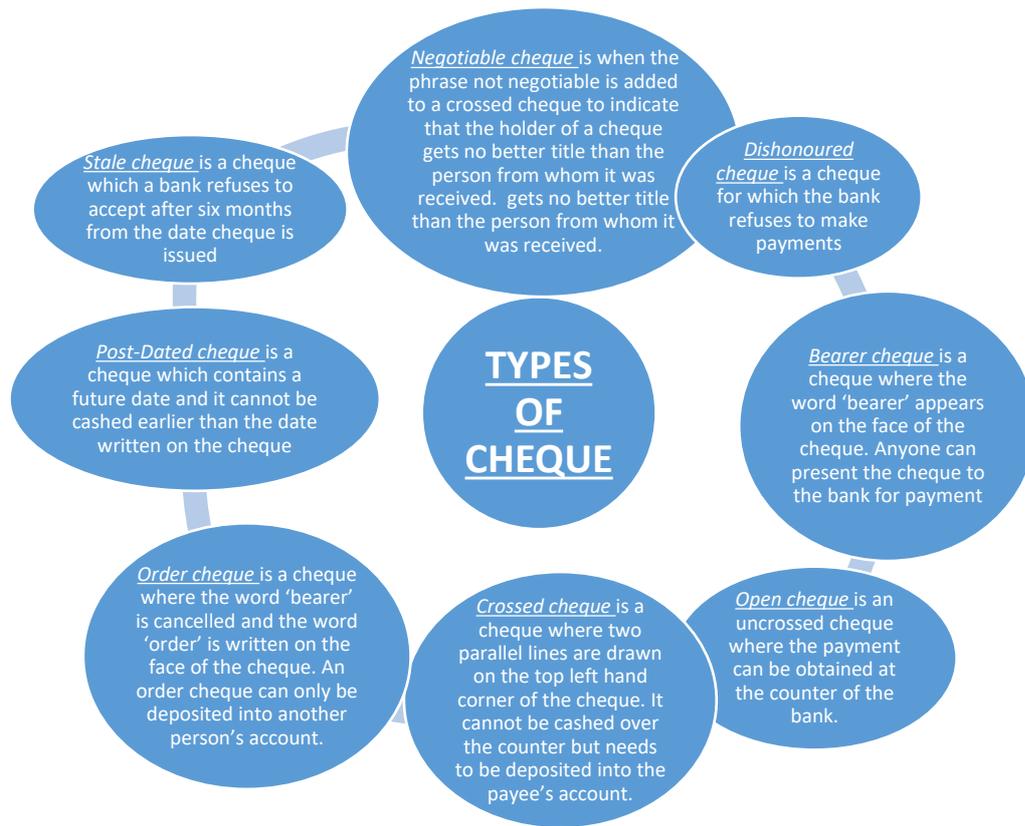
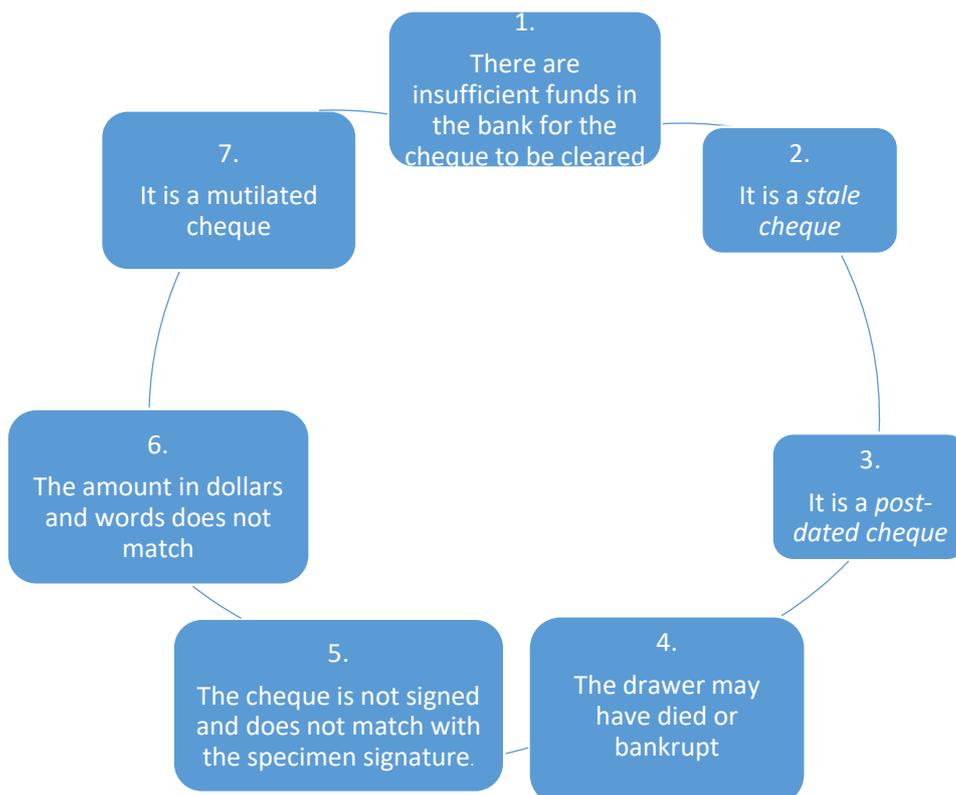


B. The different types of Cheque



C. The Reasons for Dishonored Cheque

A cheque may be dishonoured for a number of reasons:



Activities

(14 marks)

Instructions

Students are required to answer the following questions on their own, by recalling what they have already learned in term 1.

Multiple Choice

Circle the letter which represents the best answer.

(3 marks)

1. Which of the following describes a stale cheque?
 - A. Cheque that bears a future date.
 - B. Cheque that is not signed.
 - C. Cheque that is over six months old.
 - D. Cheque that has two parallel lines.

2. A Post Dated Cheque is a cheque that
 - A. bears a future date.
 - B. bears a current date.
 - C. has two parallel lines.
 - D. s over six months old.

3. A cheque which a bank refuses to accept after six months from the date cheque is issued is known as _____ cheque.
 - A. crossed
 - B. stale
 - C. post-dated
 - D. mutilated

Matching : Match Terms in Column 1 with their descriptions in Column 2. (10 marks)

TERMS	DESCRIPTIONS	ANSWERS
1. Cheque	A. is the name of the bank where the cheque is payable	
2. Cheque Butt	B. is when the phrase not negotiable is added to a crossed cheque to indicate that the holder of a cheque gets no better title than the person from whom it was received	
3. Postdated cheque	C. is the person or the business receiving the payment of the cheque	
4. Order cheque	D. Is a cheque for which the bank refuses to make payments	
5. Stale cheque	E. is a cheque where the word 'bearer' appears on the face of the cheque	
6. Drawer	F. Is a cheque which a bank refuses to accept after six months from the date the cheque is issued	
7. Crossed cheque	G. a written order directing a bank to pay money to the payee or bearer	
8. Not Negotiable cheque	H. is an uncrossed cheque where the payment can be obtained at the counter of the bank	
9. Drawee	I. is a counterfoil that gives details of the payment and the purpose of the payment	
10. Dishonoured cheque	J. is a cheque where two parallel lines are drawn on the top left hand corner of the cheque	
11. Bearer cheque	K. is the person or business who signs the cheque and makes the payments from his or her account.	
12. Open cheque	L. is a cheque where the word 'bearer' is cancelled and the word 'order' is written on the face of the chequ	
13. Payee	M. is a cheque which contains a future date and it cannot be cashed earlier than the date written on the cheque	

