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# Money Money Money



An introduction to banking  
and money concepts in New Zealand.  
For ages 10+



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# Teachers' Notes

This book contains a selection of activities that explore the concept of money. It provides an introduction to New Zealand currency (notes and coins) and provides real life examples of how money is used in society.

Background notes for some topics have been provided in the Answers section of this book. More information can be found at the Reserve Bank of New Zealand web site at **[www.rbnz.govt.nz](http://www.rbnz.govt.nz)**

## Internet References

The Internet is undoubtedly one of the most useful current sources for obtaining up to the minute information. Information such as currency rates and stock exchange tables usually appear on the Internet before newspapers and television and can be updated very quickly.

Web sites have been included both in the Online References section on page 4 and incidentally throughout the book. Students do not need to access the web site to complete the activity page, but it is recommended that they visit the sites to enhance their knowledge of the particular topic.

It also helps to develop students' research skills as they retrieve information about various aspects of money. At the time of publishing, the web site addresses included in this book were accessible. Students can easily reach the nominated sites via the Ready-Ed web site by visiting the address below. Any future changes will also be posted on our web site as they occur at:

**[www.readyed.com.au/urls/moneyNZ.htm](http://www.readyed.com.au/urls/moneyNZ.htm)**

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# New Zealand Currency History

Before the arrival of the first Europeans in New Zealand the Maori used a system of trading involving items of value such as food and greenstone (pounamu). This practice continued to be used by both Maori and Pakeha until coins became established around the middle of the 19th century. Mostly coins were used, while notes were rare and usually issued by individual banks and usable only when dealing with those banks. While various laws were passed making coins and notes legal, a variety of sizes and designs continued to be used until 1924 when the main banks coordinated size and colour. 1934 saw a central bank established - the Reserve Bank of New Zealand - which was given sole authority to issue bank notes.

Until 1967, pounds, shillings and pence were used as currency. This currency had been in circulation since 1934 when the first series of Reserve Bank of New Zealand notes was issued, based on the old 'imperial' system of twelve pence to a shilling and twenty shillings to a pound.

Research the history of New Zealand currency using your library and the web sites at the bottom of this page.

1. What happened to New Zealand's currency in 1967? .....

2. What coins were introduced in 1967? .....

3. What value notes were introduced? .....

4. What eventually happened to the \$1 and \$2 notes? .....

.....

5. In 1990, 1 and 2 cent coins were removed from circulation, followed by the 5 cent coin in 2006. A process called 'rounding' occurs when the amount required is not a multiple of 10, e.g. \$2.63?

How does this work? .....

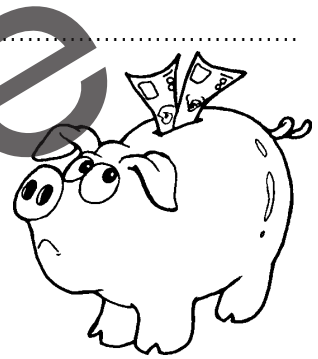
.....

In 1999, paper notes started to be replaced with new notes made from **polymer plastic**. These notes are able to be recycled and last much longer than the previous paper notes.

6. Describe some special features of these notes. ....

.....

.....



**Challenge:** Use the Internet or any other available resources to find information on the introduction of the decimal system in 1967.

What was the actual date of the changeover to decimal currency? .....

Two cartoon characters were used to advertise this great change in New Zealand's currency. Who were they?

.....

Visit these sites to help you with your research:  
[www.rbnz.govt.nz/currency/money/0094089.html](http://www.rbnz.govt.nz/currency/money/0094089.html)  
[www.rbnz.govt.nz/currency/Money/index.html](http://www.rbnz.govt.nz/currency/Money/index.html)

# The New Zealand \$5 Note

New Zealand converted to decimal currency in 1967 with notes of \$1, \$2, \$5, \$10, \$20 and \$100 denominations to replace the 'imperial' pounds, shillings and pence. The \$5 note is the lowest denomination note now, as \$1 and \$2 notes are represented by coins.



Find answers to these.

1. Which prominent person features on the obverse side of this note? .....
2. Why was this person chosen to be represented on the \$5 note? .....
3. What mountain features on this side of the note? .....
4. What piece of machinery is shown on this side? .....

Draw the objects named in 3. and 4. in the correct space on the note above.

The reverse side of this note features a scene of Campbell Island.

5. Whereabouts is this island located? .....
6. What type of bird is shown in the scene on the reverse of the \$5 note? .....

Write some information about this bird .....

. Name the sea plant that is shown on the reverse side of the note .....

**Challenge:** The person shown on the obverse (front) of the \$5 note is perhaps the most distinguished New Zealander of his generation. Describe some of his other achievements.

.....

.....

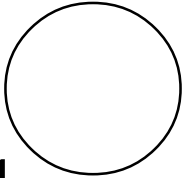
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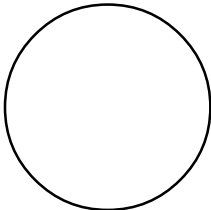
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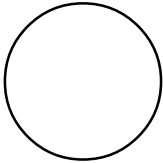
# New Zealand Coins


The *obverse* side of all New Zealand decimal coins features the image of Queen Elizabeth II. It also states the year that the coin was minted. In 1967, the first decimal currency coins were minted and they changed little until 2006 when major changes were made. The 5 cent coin was removed from circulation and the existing 50, 20 and 10 cent coins were made smaller. The gold-coloured Kiwi dollar and \$2 coin were introduced in 1991 and replaced the \$1 and \$2 notes.

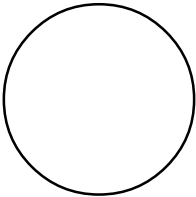
What is depicted on the *reverse* side of each of the coins below?  
Make a rubbing of each coin in its correct shape.


\$1  .....

\$2  .....

10¢  .....

20¢  .....

50¢  .....



### The Royal Canadian Mint

New Zealand's coins are presently made at the Royal Canadian Mint although the Royal Mint in England has been used to produce our coins at various times. Look at this website for information about the Royal Canadian Mint:

[http://en.wikipedia.org/wiki/Royal\\_Canadian\\_Mint](http://en.wikipedia.org/wiki/Royal_Canadian_Mint)

1. Where is the Royal Canadian Mint located? .....
2. When was the mint officially opened? .....

### The Royal Australian Mint

This mint also produces coins and has, at times, minted the New Zealand coins. Visit this website to find out how coins are made:

[www.ramint.gov.au/making\\_coins/](http://www.ramint.gov.au/making_coins/)

On a separate piece of paper (or the back of this sheet) describe what these terms mean when applied to the manufacture of coins: (Use the website above to help you.)

dies

blanks

rimming

annealing

coining

bagging

burnishing

# Money in the Bank 2

Study the bank statement below. It shows all the transactions made in the month of April. Use the information provided in the statement to answer the questions below.

Date	Transaction	Credit	Debit	Balance
April 1	EFTPOS purchase: Newsagent		\$10.50	\$80.00
April 2	ATM withdrawal		\$20.00	\$60.00
April 5	ATM deposit	\$50		\$110.00
April 10	EFTPOS purchase: Petrol		\$15.00	\$95.00
April 12	EFTPOS purchase: Supermarket		\$12.00	\$83.00
April 12	EFTPOS purchase: Clothing		\$25.00	\$58.00
April 17	ATM withdrawal		\$20.00	\$38.00
April 19	EFTPOS purchase: CD store		\$18.05	\$19.95
April 21	ATM Deposit	\$50		\$69.95
April 22	EFTPOS purchase: Adventure World		\$15.00	\$54.95
April 24	EFTPOS purchase: Restaurant		\$50.00	\$4.95
April 25	ATM Cheque deposit	\$150		\$154.95
April 27	EFTPOS purchase: Supermarket		\$24.55	\$130.40
April 26	EFTPOS purchase: Clothing		\$27.50	\$102.90
April 29	ATM withdrawal		\$20.00	\$82.90
April 30	Transaction Fee		.....	.....

1. What was the total number of transactions that were made? .....
2. What was the total amount **debited** from the account? .....
3. What was the total amount **credited** to the account? .....
4. How many EFTPOS transactions were made? .....
5. How much money was withdrawn between April 4th and April 20th? .....
6. How much money was deposited between April 19th and April 27th? .....
7. You have found that the bank allows eight free transactions per month. After that each EFTPOS transaction costs 35 cents and each ATM transaction costs 60 cents.  
Calculate how much the bank will charge in transaction fees for this month. ....
8. What is the new account balance? .....

**Challenge:**

Find out what other fees and charges are added to your account. Describe them below:

.....

.....

# Using ATMs

ATMs are found everywhere and you can even use your card in ATMs overseas. Like EFTPOS machines, they allow you to take money out without having to go inside a bank.

Answer these questions.

1. What does ATM stand for? .....
2. From your house, where is the nearest ATM that you can use? .....
3. Where are ATMs usually located? .....
4. What do you need to do to access your savings at an ATM? .....
5. ATMs do more than just dispense cash. Describe some other actions you can do using an ATM.

.....

.....

.....

.....

.....

.....

.....



### An ATM Maths Problem

At 9.00 am Ruby went to an ATM and made a withdrawal from her savings account for \$20. She then went shopping and spent this \$20 as well as going to another ATM to withdraw another \$20. She used EFTPOS to buy some clothes for \$45 in another shop, and then on the way home she transferred \$80 from her loan account to her savings account at an ATM.

What was the difference between the balance of the savings account at 9.00 am and the final balance at the end of the day?.....

### Ask Your Bank

Some banks charge a fee for using ATMs and generally it is cheaper to use EFTPOS to access your savings rather than an ATM.

How much does your bank charge for an ATM transaction? .....

What does an EFTPOS transaction cost? .....

Are there any transactions that you can make free of charge? .....

Is there a fee for using an ATM from another bank rather than the one that your account is with? .....

**For detailed information on how ATM machines work, check out this site:**  
[www.howstuffworks.com/atm.htm](http://www.howstuffworks.com/atm.htm)



# Using a Credit Card

Most banks and credit unions offer *credit cards*, which are cards used to access funds which your bank has loaned to you, with a promise that you will pay them back.

Examples of credit cards include Master Card, Visa and American Express. They have a credit limit on them so that you can only draw as much money as they will allow. Credit limits vary depending on the type of card and how often you are able to pay the money back. Most cards need a monthly repayment to be paid into the account.

1. List some places where you would be able to use a credit card? .....

.....

.....

2. How is a credit card used to make a purchase? .....



3. What could happen if a credit card is stolen or lost? .....

.....

4. What precautions can you take to make sure no one uses your credit card if this happens? .....



### Research

Is it safe to send your credit card number over the Internet? .....

Why/Why not? .....

.....

.....

How is this different from giving out your credit card number on the telephone? .....

.....

.....