Student Activities

Lesson Eight Cars And Loans

name			

date:	



the operating costs of a car

Model year		
Make, size, model		3 =
Fixed costs		•
Depreciation:		
Purchase price \$ divided	d by estimated life of years	
	 \$	
Annual insurance costs	\$	
License, registration, taxes	 \$	
Flexible costs		
Gasoline:		
Estimated miles per year	_ divided by miles per gallon times	the
average price of \$ per gallon		
	 \$	
Oil changes for the year		
Tires	\$	
Maintenance, repairs	\$	
Parking and tolls	\$	i
Total costs	\$	
Divided by miles per year		
Equals cost per mile	\$	

name:	date:



lesson 8 quiz: the costs of a car

From the list below, can you find ten (10) costs of owning and operating a car? Put a check beside your choices.

Registration fee
Tolls
Entertainment
Car loan payment
Credit card payments
Utilities
Title and license
Bus fare
Tuition
School expenses
Car insurance
Clothing
Maintenance and repairs
Personal items
Gasoline
Electric bills
Oil and other fluids
Tires
Parking
Household items



lesson 8 quiz: shopping for a car

choose the correct answer.

1. — Kelley Blue Book is a good source for researching:

- a. current interest rates.
- b. service contracts.
- c. used car prices.
- d. the reputation of area dealers.

2. — Which of the following is not true about buying a new car?

- a. A person should make a buying offer to as many dealers as possible.
- b. A person will always get the best deal by trading in his or her old car.
- c. A person should compare final sales prices and buying services.
- d. It is a good idea to compare financing costs from various sources.

3. _____ Before deciding to buy a service contract, a person should find out:

- a. the invoice price.
- b. the value of a trade-in.
- c. the nearest shop that services the kind of car.
- d. whether the vehicle is likely to need repairs and at what cost.

4. — The most reliable source for buying a used car is usually:

- a. an auto rental company.
- b. the Internet.
- c. a car dealer.
- d. a private party.

5. — Which of the following is not true about buying a used car?

- a. A person should never buy from a private party.
- b. A person should find out the cost of maintenance for the kind of car wanted.
- c. A person should know the reputation of the dealer.
- d. It is a good idea to compare financing costs from various sources.

name:	date:



loan application information

Present Address:	Personal: Name:	Social Security #:
Do you rent/own your home? How much do you pay each month? Landlord's Name/Phone Number: Previous Address: How long did you live at your previous address? Employment: Current Employer Name: Address: Phone Number: Occupation/Job Title: How long have you worked here? Monthly Income: Do you have any additional income? How much per month? Past Employers (list name, phone number, and time employed for each) Credit History: Credit Cards (list name, account number, and current balance for each card) Other Loans (list lender name, current balance, and monthly payment for each) Bank Accounts: Bank Name: Checking Account #: Savings Account #: Savings Account #: Savings Account #:	Present Address:	
Landlord's Name/Phone Number:	How long have you lived at your pr	resent address?
Previous Address:	Do you rent/own your home?	How much do you pay each month?
How long did you live at your previous address?	Landlord's Name/Phone Number:	
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Current Employer	How long did you live at your prev	ious address?
Name:		
Address:		
How long have you worked here? Monthly Income: Do you have any additional income? How much per month? Past Employers (list name, phone number, and time employed for each) Credit History: Credit Cards (list name, account number, and current balance for each card) Other Loans (list lender name, current balance, and monthly payment for each) Bank Accounts: Checking Account #: Checking Account #: Savings Account #: Checking Account #:		
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Credit History: Credit Cards (list name, account number, and current balance for each card) Other Loans (list lender name, current balance, and monthly payment for each) Bank Accounts: Bank Name: Checking Account #: Savings Account #:	Do you have any additional income	e? How much per month?
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Bank Accounts: Bank Name: Checking Account #: Savings Account #:	Other Loans	
Bank Accounts: Bank Name: Checking Account #: Savings Account #:	(list lender name, current balance, a	and monthly payment for each)
Savings Account #:	Bank Accounts:	
Other Accounts:	Savings Account #:	
	Other Accounts:	



lesson 8 quiz: car loans and insurance

choose the correct answer.

- 1. When shopping for a car loan, compare each loan's:
 - a. APR.
 - b. monthly payment.
 - c. total finance charge.
 - d. all of the above.
- 2. ____ If a person chooses a longer time period to repay the loan:
 - a. the monthly payments will be higher.
 - b. the total amount to be repaid will be lower.
 - c. the total amount to be repaid will be higher.
 - d. the APR will be higher.
- 3. ____ If a person is having trouble keeping up with car loan payments:
 - a. he/she should notify the lender immediately.
 - b. the car will be repossessed immediately.
 - c. he/she can miss a few payments with no penalty.
 - d. he/she can change the APR of the loan.
- 4. The insurance coverage for damage to a vehicle as a result of an accident is called:
 - a. property damage.
 - b. comprehensive.
 - c. liability.
 - d. collision.
- 5. Damage to a car caused by vandalism or floods is covered by:
 - a. medical insurance.
 - b. collision insurance.
 - c. comprehensive insurance.
 - d. uninsured motorist insurance.

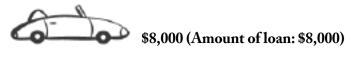
Manuel's car choices





\$6,000 (Amount of loan: \$6,000)

APR	10%	12%	14%	16%
Length of Loan	60 months	60 months	60 months	60 months
Total Cost of Loan	\$	\$	\$	\$
Monthly Payment				
Total Finance Charge				



APR	10%	12%	14%	16%
Length of Loan	60 months	60 months	60 months	60 months
Total Cost of Loan	\$	\$	\$	\$
Monthly Payment				
Total Finance Charge				



\$10,000 (Amount of loan: \$10,000)

APR	10%	12%	14%	16%
Length of Loan	60 months	60 months	60 months	60 months
Total Cost of Loan	\$	\$	\$	\$
Monthly Payment				
Total Finance Charge				



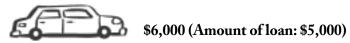


Rose's car choices



\$4,000 (Amount of loan: \$3,000)

APR	10%	12%	14%	16%
Length of Loan	36 months	36 months	36 months	36 months
Total Cost of Loan	\$	\$	\$	\$
Monthly Payment				
Total Finance Charge				



APR	10%	12%	14%	16%
Length of Loan	36 months	36 months	36 months	36 months
Total Cost of Loan	\$	\$	\$	\$
Monthly Payment				
Total Finance Charge				



\$8,000 (Amount of loan: \$7,000)

APR	10%	12%	14%	16%
Length of Loan	36 months	36 months	36 months	36 months
Total Cost of Loan	\$	\$	\$	\$
Monthly Payment				
Total Finance Charge				



Manuel's budget

	Without a Car	Owning a Car
Income		
	\$	\$
Job #2	\$	\$
Other	\$	\$
Total Income	\$	\$
Fixed expenses		
Rent	\$	\$
Car insurance	\$	\$
Installment payments		
Car loan payment	\$	\$
Credit card 1	\$	\$
Credit card 2	\$	\$
Total installment debt	\$	\$
Percentage of net income	%	%
Flexible expenses		
Savings	\$	\$
Utilities	\$	\$
Food	\$	\$
Transportation	\$	\$
Bus fare	\$	\$
Gas and oil	\$	\$
Parking and tolls	\$	\$
Repairs	\$	\$
Tuition	\$	\$
School expenses	\$	\$
Clothing	\$	\$
Entertainment	\$	\$
Household items	\$	\$
Personal items (toothpaste, etc.)	\$	\$
Total Monthly Expenses	\$	\$
Total income – Total expenses	\$	\$



Rose's budget

	Without a Car	Owning a Car
Income		-
Job #1	\$	\$
Job #2	\$	\$
Other	\$	\$
Total Income	\$	\$
Fixed expenses		
Rent	\$	\$
Car insurance	\$	\$
Installment payments		
Car loan payment	\$	\$
Credit card 1	\$	\$
Credit card 2	\$	\$
Total installment debt	\$	\$
Percentage of net income	%	%
Flexible expenses		
Savings	\$	\$
Utilities	\$	\$
Food	\$	\$
Transportation	\$	\$
Bus fare	\$	\$
Gas and oil	\$	\$
Parking and tolls	\$	\$
Repairs	\$	\$
Tuition	\$	\$
School expenses	\$	\$
Clothing	\$	\$
Entertainment	\$	\$
Household items	\$	\$
Personal items (toothpaste, etc.)	\$	\$
Total Monthly Expenses	\$	\$
Total income – Total expenses	\$	\$