

# Student Activities



## Lesson Eight

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### Cars And Loans

name: \_\_\_\_\_

date: \_\_\_\_\_



# the operating costs of a car



Model year \_\_\_\_\_

Make, size, model \_\_\_\_\_

Fixed costs \_\_\_\_\_

### Depreciation:

Purchase price \$ \_\_\_\_\_ divided 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 \_\_\_\_\_ \$ \_\_\_\_\_

Total costs \_\_\_\_\_ \$ \_\_\_\_\_

Divided by miles per year

Equals cost per mile \_\_\_\_\_ \$ \_\_\_\_\_



## lesson 8 quiz: the costs of a car

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**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

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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.



# loan application information

**Personal:**

Name: \_\_\_\_\_ Social Security #: \_\_\_\_\_

Present Address: \_\_\_\_\_

\_\_\_\_\_

How long have you lived at your present address? \_\_\_\_\_

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 #: \_\_\_\_\_

Other Accounts: \_\_\_\_\_



## lesson 8 quiz: car loans and insurance

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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)**

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



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

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



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

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



## 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				



\$6,000 (Amount of loan: \$5,000)

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				



\$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				



name: \_\_\_\_\_

date: \_\_\_\_\_



# Manuel's budget

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

name: \_\_\_\_\_

date: \_\_\_\_\_



# Rose's budget

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