

Student Activities



Lesson Eight

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

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.



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

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				



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

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				



\$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				



\$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
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	\$	\$

name: _____

date: _____



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	\$	\$