

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 | | | | |

name: _____

date: _____



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 | \$ | \$ |