

Name: _____ Period: _____ Date: _____

Credit Spending Worksheet

Instructions: Using information from any of the sources used in this lesson or the Internet, answer the following questions. Websites that you might use:

<http://moneymattersmakeitcount.com/CREDITDEBT/Pages/CreditBasics.aspx>

<http://www.bankrate.com/calculators/credit-cards/credit-card-payoff-calculator.aspx>

1. What are two types of credit?
2. Under what conditions might a consumer find each useful?
3. What is interest?
4. Why might someone be willing to pay interest on a purchase rather than paying for it all in cash?
5. What are some advantages and disadvantages of using credit?
6. Which type of credit do you think poses the greatest threat?

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7. What makes you credit worthy?

8. What information will be included in the fine print of a credit application that you should read?

9. What factors determine your credit score?

10. Using a credit calculator on the Internet, how long would it take to pay off \$5,000.00 at 21% interest if you make payments of \$100.00?

11. Using the same calculator, how long would it take to pay off \$500.00 at 18% interest if you are making the minimum payment of \$10.00 a month?

12. What are steps you can take to safeguard personal information?