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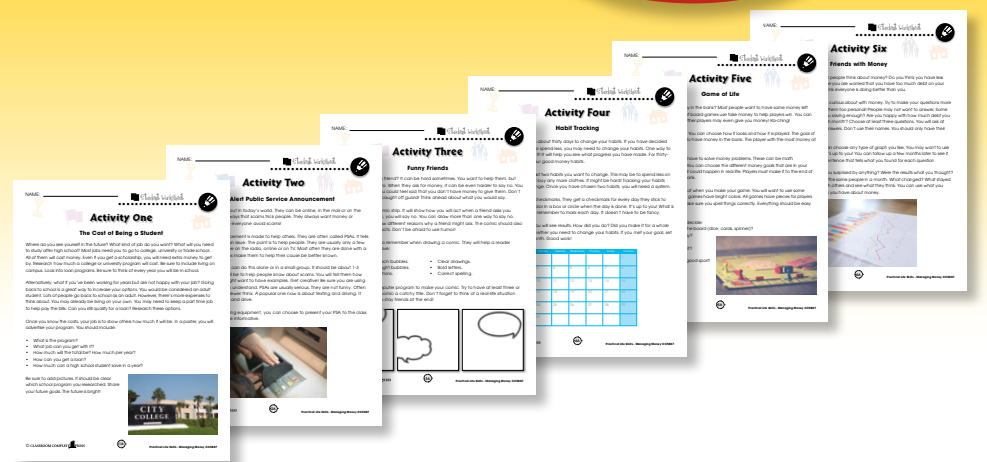
EASY MARKING™ ANSWER KEY 21

MINI POSTERS 23

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Buying of Goods and Services

1. Chen has \$500 saved for a new TV. There is one on sale for \$700. He can make payments for two years. The payments add up to \$850. Should he buy the TV on sale?



2. Emily pays a monthly fee for a streaming service. It is time to renew. She can charge her credit card \$12.00 a month. Or, she can pay a lump sum of \$60.00 for 6 months. Which should she choose?

3. Match each word on the left with its meaning on the right.

- | | | | |
|---|-------------|---|---|
| 1 | debit | loaned money that needs to be paid back | A |
| 2 | credit | the cost of borrowing money | B |
| 3 | principal | On Approved Credit | C |
| 4 | interest | paying for something | D |
| 5 | installment | the actual purchase price | E |
| 6 | transaction | withdrawal from a bank account | F |
| 7 | O.A.C | payment broken into small amounts | G |



Buying of Goods and Services



It can be hard to not over spend. There are lots of ads everywhere! In television, magazines and the radio. They sell everything. Ads are made so people will buy more. They only show good things about the product. For pricey things like cars, ads make it seem like they are easy to buy.

All ads look good. They are made to catch your eye. They have bright colors. They have nice pictures. They get your attention. No matter what they are selling, it will look nice. Have you ever eaten fast food that didn't look like the ad?

Budget Tip

A payment plan can help you buy something expensive. Cell phones can be on a payment plan. Most payment plans are based on "O.A.C". This means "On Approved Credit". It means a credit check will be done.

Sometimes ads will show different ways to pay. Lots of things have payment plans. You will pay in installments. These plans sound like a great deal. Have you heard of "Buy Now, Pay Later"? You can take the item home without paying. But you will pay more over time. You will pay in one or two years. Each month you will pay some of the principal. If you don't, there will be high interest on your next payment. This is the same for "no money down". This means you will pay more in interest. Don't you have a down payment? That's money you give up front. It's taken from the total you owe. You may also have to pay longer.

1. Alejandro is buying a new cell phone. It costs \$600. He signed a payment plan contract. He will pay for 24 months. Each month he will pay \$30. How much will he pay in total?

24 months x \$30 = \$720

Alejandro will end up paying more for his phone. However, he didn't have \$600 to pay up front. The payment plan allowed Alejandro to buy the phone at a price he could afford.

2. Min-seo is buying a laptop. It costs \$1,550. The deal is to pay for 36 months. Each monthly payment is \$100. How much will she pay in total? Should she buy it?



Buying of Goods and Services

1. Put a check mark (✓) next to the answer that is most correct.

a) What does O.A.C. mean?

- A On Approved Credit
- B On Automated Credit
- C Only Access Cash
- D Online Access Card

b) What could happen if you don't pay on time in a payment plan?

- A You get the item for free.
- B You pay high interest on your bill.
- C Nothing.
- D You get an extension.

2. Finish each sentence with a word from the list.

installment down cash debit interest

- a) _____ plans let you pay for a big amount in small pieces.
- b) There is _____ charged each month you use credit.
- c) You can't use _____ to buy something online.
- d) A _____ card will help you stay debt free.
- e) A _____ payment is money you give when you first buy something.



Buying of Goods and Services

3. Pablo gets his dog's hair cut every month. He pays \$10 a cut, once a month. The salon is offering a new sale. The sale offers 1 cut per month, for 3 months for \$25. Should Pablo get this new sale price? What are the advantages and disadvantages?

Graphic Organizer

4. Use the graphic organizer on page 12 to compare prices. How much will it really cost? That is something every buyer should know before they pay. You must think about a few different things. Is there interest? How many payments are there? Will the total be more than what the thing is worth? Is there a fee to pay on credit? It is smart to find out these things before you even go to the store. Your task is to find all costs for an item. You will research all costs for buying a couch. For each type of payment, complete the chart.



Interview a Money Mentor

What is a mentor? A mentor is someone who can help you learn. You can have many different mentors. Who do you admire? What do you want to know more about?

For this task you will think of someone who you feel is smart with their money. It could be someone that has saved for something special. It could be a person who is debt free. It could even be someone who has a job that you would like to have. Get to know them!

You will interview your money mentor. You can record their answers or write it down. Think of at least five questions before you go. Be prepared! Write your questions down so you don't forget. Here are some suggestions:

- What was your first job?
- Do you have a budget?
- What do you spend the most money on?
- How do you save money?
- How often do you use credit cards?
- What is your advice for someone younger?

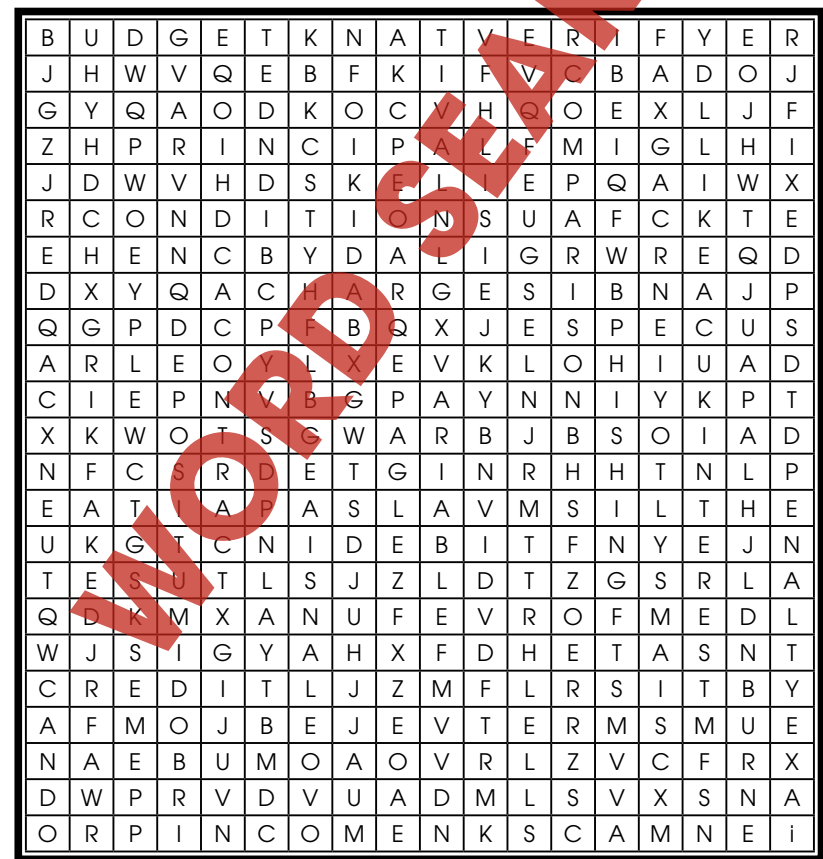
Remember, an interview is a conversation. Be natural. Don't be worried or rush. It will be fun hearing about someone else's life. Maybe you will learn a thing or two!



Word Search

Find all of the words in the Word Search. Words are written horizontally, vertically, diagonally, and some are even written backwards.

- | | | | | |
|------------|---------|----------|-----------|--------|
| budget | credit | fixed | phishing | verify |
| charges | debit | fraud | principal | |
| comparison | deposit | income | scam | |
| conditions | expense | interest | terms | |
| contract | fake | penalty | variable | |



Comprehension Quiz

Part C

Answer each question in full sentences.

1. What can make saving easier?

2

2. Why should you pay your bills on time?

2

3. When should you loan a friend money?

2

4. Why should you have an emergency fund?

2

SUBTOTAL: /8

Credit Card Bill

FIRST BANK CREDIT CARD STATEMENT

STATEMENT BEGINS	27 FEBRUARY
STATEMENT ENDS	26 MARCH
ACCOUNT NO.	123-456-789-0
PAYMENT DUE DATE	20 APRIL
MIN. AMOUNT DUE	\$30.00

Reference	Date	Transaction Details	Amount
483GE739	March 1	SHIRTS N SUCH	\$34.89
32F349ER3	March 5	CAR RENTAL	\$150.00
NX34FJD32	March 5	ABC STORES	\$56.92
94J127KAS	March 18	PIZZA PALACE	\$7.12

Credit Limit: \$1000 Available Credit: \$751.07 New Charges \$248.93

For Customer Service Call:
1-800-123-4567

For Lost or Stolen Card, Call:
1-800-987-6543

Annual Percentage Rate 19.80%



Buying of Goods and Services

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EASY MARKING

installment

down

cash

debit

interest

- a) _____ plans let you pay for a big amount in small pieces.
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- e) A _____ payment is money you give when you first buy something.



1.

a) A

b) B

2.

a) Installment

b) interest

c) cash

d) debit

e) down

10

ANSWER KEY





Buying of Goods and Services



It can be hard to not over spend. There are lots of ads everywhere! In television, magazines and the radio. They sell everything. Ads are made so people will buy more. They only show good things about the product. For pricey things like cars, ads make it seem like they are easy to buy.

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678 MAIN STREET

STATEMENT BEGINS 27 FEBRUARY

STATEMENT ENDS 26 MARCH

ACCOUNT NO. 123-456-789-0

PAYMENT DUE DATE 20 APRIL

MIN. AMOUNT DUE \$30.00

Reference	Date	Transaction Details	Amount
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