

**Personal Finance**  
LAP 6 – Consumer Credit



Name \_\_\_\_\_

Period \_\_\_\_\_

Date Started \_\_\_\_\_

Date Completed \_\_\_\_\_

**DoDEA Standards**

- ◆ **PT2** **Problem Solving and Decision Making** - Apply problem-solving strategies in purposeful ways, both in situations where the problem and desirable solutions are clearly evident and in situations requiring a creative approach to achieve an outcome.
- ◆ **PT5h** Develop positive attitudes toward technology uses that support lifelong learning, collaboration, personal pursuits, and productivity.

**Objectives**

- ◆ Understand the advantages and disadvantages of consumer credit as well as the types of credit that are available will enable you to make wise decisions regarding credit, now and in the future.
- ◆ Understand the costs involved in obtaining credit will give you the tools to acquire the best source of credit and increase your chances of getting the credit you want or need.
- ◆ Know your rights and the procedures to follow when problems arise in your credit dealings will allow you to protect your financial situation and your financial reputation.

**Resources** *Business and Personal Finance*, Chapter 6: Consumer Credit  
 WORKBOOK-Student Activity  
 \*WORKBOOK-Internet Resources  
 \*WORKBOOK-Standard and Poor’s Extension Activities  
 \*WORKBOOK-Money Matters

**Time Frame** 10 Hours (suggested)

**Introduction**

This chapter explains how to distinguish among various types of consumer credit and analyze the advantages and disadvantages. Understanding the costs involved in obtaining credit will give you the tools to acquire the best source of credit. Knowing how to apply for credit and how to build your credit rating will increase your chances of getting the credit you want or need.

**Assignments**

**Where appropriate and possible, written answers must be in complete sentences and keyed. Turn in completed activities as directed by instructor. \* Teacher must provide you copies from the Internet Resource workbook, Standard and Poor’s Extension Activities workbook, and Money Matters Workbook.**

\_\_\_\_\_ **Read** pp. 153-163  
 \_\_\_\_\_ **Complete** p. 156

What Is Your Consumer Credit?  
 What’s Your Financial ID?-questions 1-6

- \_\_\_\_\_ **Complete** p. 163 Section Assessment-questions 1-6
- \_\_\_\_\_ **Read** pp. 164-179 Measuring the Cost of Credit and Obtaining Credit
- \_\_\_\_\_ **Complete** p. 179 Section Assessment-questions 1-6
- \_\_\_\_\_ **Complete** p. 62 WORKBOOK-Help a Friend Make a Decision
- \_\_\_\_\_ **Complete** p. 63 WORKBOOK-Activity 2
- \_\_\_\_\_ **Complete** pp. 65-67 WORKBOOK-Comparing Loan Applicants and Your Financial Portfolio Worksheet
  
- \_\_\_\_\_ **Read** pp. 180-186 Protecting Your Credit
- \_\_\_\_\_ **Complete** p. 186 WORKBOOK-Assessment-questions 1-6
- \_\_\_\_\_ **Complete** p. 68 WORKBOOK-Finance Online: Consumer Credit
- \_\_\_\_\_ **Complete** pp. 69-70 WORKBOOK-Quicken Application *(Before beginning, review the different kinds of consumer credit. You need to understand that interest charges accrue based on any unpaid balance in a credit account. Ralph’s Circuit City loan account is already set up in Quicken. You are asked to find and print the payment schedule that Quicken has generated and to answer the questions related to that schedule. When computing Ralph’s debt payment, you should divide monthly debt payments by Ralph’s net income.)*
- \_\_\_\_\_ **Read** pp. 187-193 Managing Your Debts
- \_\_\_\_\_ **Complete** p. 193 WORKBOOK-Assessment-Questions 4-6
- \_\_\_\_\_ **Complete** pp. 61-62 WORKBOOK-Understanding Key Concepts and Self-Assessment Quiz
- \_\_\_\_\_ **Complete** pp. 17-19 WORKBOOK-Standard & Poor’s Extension Activities (Managing Debt and Credit)
- \_\_\_\_\_ **Take chapter test** or complete a project.

**Self Assessment – “I/Can...”**

- \_\_\_\_\_ understand the advantages and disadvantages of consumer credit as well as the types of credit that are available which will enable me to make wise decisions regarding credit now and in the future.
- \_\_\_\_\_ understand the costs involved in obtaining credit which will give me the tools to acquire the best source of credit and increase my chances of getting the credit I want or need.
- \_\_\_\_\_ understand my rights and the procedures to follow when problems arise in credit transactions which will allow me to protect my financial situation and financial reputation.