**Credit**

1. Choose the most suitable method of payment for each item and give reasons for your decision.

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| **Item (s)** | **Method of payment** | **Reason for method chosen** |
| Groceries $100 |  |  |
| A drink at corner store $3 |  |  |
| Flowers for your girlfriend $15 |  |  |
| Outfit for school social $125 |  |  |
| Phone bill $50 |  |  |
| Haircut $20 |  |  |
| A visit to the doctor $150 |  |  |
| New car $20,000 |  |  |
| First Home $300,000 |  |  |
| Trip to Bali $1800 |  |  |

2. Jake, Amy and Sue each want to purchase a game player that costs $500 and finance it with credit. Using the information below, how much would the game player cost including finance charges?

Directions: Using the total amount spent, subtract $500 and that is the cost of credit.

**Total Spent Cost of Credit Total spent Cost of Credit**

A. Jake paid $45.00 a month for 12 months. \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

B. Amy paid $12.00 a week for one year. \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

C. Sue paid $25.00 a month for two years. \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

Of the three loans, which one paid the most to borrow the $500 and which paid the least?