

UNDERSTANDING AND EXPLORING CREDIT CARDS

Part 1

Answer the following questions using the www.practicalmoneyskills.ca website.

1. To get to the credit card section, from the home page:
 - a. Click on Students
 - b. Choose Credit cards from the menu on the top left corner
 - c. Click on Credit Cards 101
2. Use this to answer the following questions:
 - a. What is a Bank credit card?
 - b. What is a Store credit card?
 - c. What is a Travel/entertainment charge cards?
3. Click next.
 - a. What are the 11 advantages of using credit cards?
4. Click next on each page until you get to the Credit Costs: Interest page
 - a. What is interest?
 - b. How can you avoid paying interest?
 - c. Explain how interest on previous purchases work
 - d. How do cash advances and balance transfers work?
 - e. What are the two types of interest calculation method?
5. Click next on each page until you get to the Do's and Don'ts of Credit
 - a. What are the 10 Do's for using your card wisely
 - b. What are the 7 Don'ts for using your card?

Part 2)

Use the attached credit card comparison to complete the chart. There are 5 credit cards compared, please choose three that interest you!

	CARD ONE	CARD TWO	CARD THREE
Card name			
Minimum personal income required			
Minimum credit limit			
Annual interest rate – purchases			
Annual interest rate – cash advances			
Grace period on new purchases (number of days)			
Minimum payment			
Annual fee on first card			

Answer the following questions based on your chart:

1. Which credit card has the highest annual percentage rate and how much is it?
2. What card has a specified minimum income? How much is it?
3. Which card has the lowest minimum credit limit?
4. Which card had the highest minimum credit limit?
5. Which card has the lowest annual interest rate on purchases?
6. Which card has the highest annual interest rate on cash advances?
7. Which cards charge an annual fee for the first card?
8. Which cards offer rewards and what are they?