

## My First Credit Card

Name: \_\_\_\_\_ Section: \_\_\_\_\_

1. Imagine you purchased an iPad using your new credit card. The purchase price was \$500 and you paid \$50 each month until the card was paid off. Go to [www.schoolroom.ca](http://www.schoolroom.ca) and use the Credit Card Calculator in the Student Zone to determine the total amount of interest that you would pay if your card had an Annual Interest Rate of 18%. Repeat your calculations for 5%, 10% and 28%.

2. What is the impact of different interest rates?

3. You decided to use your credit card for a ski trip and charged \$2,000. You then decided to pay the required minimum payment of 3% each month until your card was paid off. How many months would it take to pay off the card if you had an Annual Interest Rate of 16%? What is the total interest that you would pay? Repeat these calculations using a monthly payment of \$350.

**My First Credit Card**

4. What is the impact of paying only the minimum payment?

5. Research three different credit cards. Use web sites and brochures or talk with your parents or local credit union to determine the following information:

	Card 1	Card 2	Card 3
Annual Interest Rate			
Annual Fee			
Minimum Payment Percentage			
Grace Period			
Other Fees			
Special Features			

Which card would you choose and why?

6. Talk with your parents about credit cards and make a list of success strategies for using them.

7. Parent Signature:

