

Loan Review

Part I. Choose the best answer.

1. People who have loans usually get them from _____.

Parents

banks

friends

2. When a person gets a loan, the bank charges extra money called _____.

Interest

principal

savings

3. The loan must be paid on time or the bank charges a fine for late payments.

True

False

Part II Use the image to answer the following questions.

A Sample Loan

Jessica wants to buy a new car.
It will take her five years to pay
off the loan.

Price of the car	\$12,500
Interest paid	\$2,707
Total cost of loan	\$15,207



4. What is the price of Jessica's car?

\$12,500

\$2,707

15,207

5. What is the interest paid?

\$12,500 \$2,707 15,207

6. What is the total cost of the loan?

\$12,500 \$2,707 15,207

Part III - Use the image to answer the following questions

Jessica only uses her car loan to buy a car. Patrice has a credit card from her bank. Her credit card lets her buy things such as clothes or meals in restaurants. When Patrice uses her credit card, it is called a charge. Her bank pays the amount of the charge to the store and sends Patrice a bill.	Anytown Boutique	
	8 West Mall Anytown, USA 53778	
	CASHIER HENRIETTA	DATE 7/5/15
	Sales Receipt	
	ITEM	PRICE
	SHOES	\$59.99
	BLOUSE	\$23.89
	SUBTOTAL	\$83.88
	TAX	\$5.03
	TOTAL	\$88.91
PAYMENT CREDIT CARD		
x	<u>Patrice Novak</u>	
NOVAK, PATRICE		

7. What was the total amount that Patrice charged?

\$5.03 \$83.88 \$23.89 none of the above

8. Why do you think Patrice has a credit card?

to buy a car to buy many things to save money

9. Who pays the store when Patrice uses her credit card?

Patrice a charge her bank

10. What does her bank send Patrice when she uses her credit card?

a bill a charge a discount

11. when you exchange merchandise for merchandise

Barter loan

12. to borrow and pay back over time.

Barter loan

Part IV- Use the image to answer the following questions.

ACCOUNT NO. 1234567	PAYMENT NO. 45	DATE DUE 5/1	AMOUNT \$210.00
		IF PAID AFTER 5/15	AMOUNT \$240.00
LATE FEE: \$30.00 FINE ADDED TO PAYMENT			

Jessica Engleman
15555 E. Washington Ave.
Anytown, U.S.A. 53776

Amount enclosed: two hundred ten and -----no/100

Send to:
Anytown Bank
601 1st Avenue
Anytown, U.S.A. 53778

13. How much does Jessica pay on her car loan each month?

\$21.00 \$210.00 \$245.00

14. Jessica's car payment is the same each month? What kind of expense is it?

Fixed variable

15. When is Jessica's car loan payment due"

May 1st May 15th

16. What happens if Jessica's car loan payment is late?

she pays less she pays more nothing happens