Tempted to Buy More on Your Credit Card

Name:________________________________________________  Date:______________________

Directions: Use the table in lower portion of Side 2 (Blue) of the Credit Card Smarts™ Booster® Calculator to answer the following questions:

1. Kelly found a great computer for only $500. If Kelly charges the computer on her credit card in which she already has a $500 balance and pays only a 3% minimum payment each month:
   a. How much interest will Kelly pay on the computer?________________________
   b. What is the true cost of Kelly’s computer?________________________________
   c. What advice would you offer to Kelly?______________________________________

2. Jack received his credit card bill and found he has a balance of $900. He just charged $50 for gas and $50 for a new pair of jeans. He can’t afford to pay off his credit card balance this month. If Jack pays only a 3% minimum payment on his credit card each month:
   a. How much interest will Jack pay for his charges for gas and blue jeans?____________
   b. What is the true cost of Jack’s credit purchases for gas and blue jeans?____________
   c. What advice would you offer to Jack?__________________________________________

3. Karen decided to use her credit card instead of her debit card to pay for a $50 night-out with her friends. She currently has a balance of $500. She recently quit her part-time job so she can only afford to pay the minimum on her credit card each month.
   a. How much interest will Karen pay for her purchases?________________________
   b. What is the true cost of Karen’s credit purchases?___________________________
   c. What advice would you offer to Karen?_______________________________________

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