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# Dealing the Cards of Credit



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## ASSESSMENT ONE:

- **Knowledge**
  - T / F There are many types of credit cards available.
  - T / F It is okay to make online purchases with your credit card on any site.
  - T / F Even if you manage your spending well, there are other ways your credit card can get you into trouble.
  
- **Comprehension**
  - Describe some warning signs of credit trouble.
  
- **Application**
  - Sketch a comic for teens explaining a minimum of 3 credit card safety tips.
  
- **Analysis**
  - Discuss both the advantages and disadvantages of using a credit card.
  
- **Synthesis**
  - Write a newspaper article that warns teens about the consequences of misusing credit cards.
  
- **Evaluation**
  - After taking the “Which Card For Me?” quiz on pp. 2-3 of the teen guide, write a persuasive paragraph to your parents explaining why that card is right for you and why you are responsible enough to have that type of card. If you feel that you are not ready for a credit card, explain why.



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## ANSWER KEY FOR ASSESSMENT ONE:

- **Knowledge**

- o TRUE There are many types of credit cards available.
- o FALSE It is not okay to make online purchases with your credit card on any site. It is a good idea to make sure that the site you are buying from is a secured site. If you are not sure you can call the company and ask.
- o TRUE Even if you manage your spending well, there are other ways your credit card can get you into trouble.

- **Comprehension**

- o Does the teen describe warning signs of credit trouble? Use the following as a guideline to assess the description.
  - ◆ Some warning signs of credit trouble are:
    - ✦ Being able to pay only the minimum due each month
    - ✦ Needing to use credit cards or cash advances to pay for daily expenses
    - ✦ Borrowing more money to pay for existing debts
    - ✦ Unable to pay bills on time
    - ✦ Applying for new cards while having balances on existing cards
    - ✦ Spending up to the credit limit
    - ✦ Being contacted by creditors or collection agencies
    - ✦ Having no savings for emergencies
    - ✦ Not knowing how much is owed and being afraid to open monthly credit card statement
    - ✦ Feeling uncomfortable or stressed about the amount of money that is owed

- **Application**

- o Does the teen's comic provide a minimum of 3 credit card safety tips? Use the following tips as a guide.
  - ◆ Never give out your card number—especially if someone calls and asks you for it. If you think the call is legitimate, ask them to send you their request in writing.



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- ◆ If you lose your card or it is stolen, call your credit card company immediately. Keeping your credit card company's phone number and your account number written down will really help out if you need to make a report.
  - ◆ Instead of signing the back of your credit card, write "See I.D." This way no one can use your credit card instead of you or try to forge your signature.
  - ◆ Save your receipts and compare them to your monthly statement. If a charge appears on your statement that you did not make, call your credit card company immediately.
- **Analysis**
    - Does the teen address both the advantages and disadvantages of using a credit card? Use the following to assess the teen's answer.
      - ◆ Advantages include:
        - ✦ Help establish a credit history
        - ✦ Allow someone to have things now while paying for them later
        - ✦ Can provide emergency funds for unforeseen expenses
        - ✦ Safety – not having to carry large amounts of cash
        - ✦ Convenience – the ability to make hotel reservations or purchase things online or over the phone
        - ✦ A record of purchases
        - ✦ Consumer protection.– e.g., various types of insurances, protection under consumer credit laws
      - ◆ Disadvantages include:
        - ✦ Risk of card theft or loss
        - ✦ Risk of credit card fraud
        - ✦ Card fees
        - ✦ Incorrect information can appear on credit report
        - ✦ Damage to credit history due to irresponsible use
        - ✦ Poor credit history results in you paying more to use credit

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- **Synthesis**

- Does the teen provide logical reasons and explanations for their response? Use the following to assess the answer given.
  - ◆ Teens who start out adulthood with credit card debt can:
    - ✦ Ruin their credit history and prevent them from qualifying for future credit
    - ✦ Hinder their ability to save money for the future
    - ✦ Prevent them from renting an apartment or getting a job
    - ✦ Force them to stay in a situation they hate, such as a job or living situation, because they have more bills to pay than they can handle
    - ✦ Cause significant stress in their lives

- **Evaluation**

- Does the teen provide logical reasons and explanations for their response?



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## ASSESSMENT TWO:

### Things I picked up:

	Before doing the <i>Dealing the Cards of Credit</i> Unit			After doing the <i>Dealing the Cards of Credit</i> Unit		
	Not at All	A Little	Pretty Well	Not at All	A Little	Pretty Well
I would choose a credit card based on the annual percentage rate (APR)						
I know what kind of credit card is best for me						
I am aware of the different kinds of credit scams						

### Fact or Fiction?

	Before doing the <i>Dealing the Cards of Credit</i> Unit			After doing the <i>Dealing the Cards of Credit</i> Unit		
	Fact	Fiction	Not Sure	Fact	Fiction	Not Sure
If I don't keep up with my credit card payments, my mistake will appear on my credit history for the next 7-10 years						
Making the minimum payment on my credit card each month is a good money management practice						
Using my credit card on the internet can be a convenient way to shop						
If I can not get a credit card by myself, my parents or another adult can co-sign with me						
It is easy to have my credit card number stolen during an Internet transaction						



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1. These are some things I liked most about this Teen Guide and Activities?

2. The most important things I learned are?

3. I will use what I learned by...



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## ANSWER KEY FOR ASSESSMENT TWO:

**Fact or Fiction?**

	<b>Fact</b>	<b>Fiction</b>
If I don't keep up with my credit card payments, my mistake will appear on my credit history for the next 7-10 years	X	
Making the minimum payment on my credit card each month is a good money management practice		X
Using my credit card on the internet can be a convenient way to shop	X	
If I can not get a credit card by myself, my parents or another adult can co-sign with me	X	
It is easy to have my credit card number stolen during an Internet transaction	X	