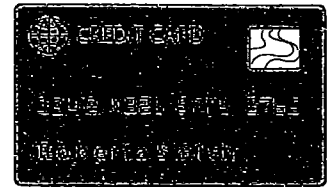


- When you buy something and pay for it later, you may have to pay an additional amount called **interest**.

Mrs. Smith's credit card purchases totaled \$613.47.
The amount she had to pay was \$622.67.



Why did she have to pay more? _____

<p>2. The advantages of a credit card are:</p> <ul style="list-style-type: none"> Fast and easy Accepted almost everywhere Record of all purchases 	<p>The disadvantages of a credit card are:</p> <ul style="list-style-type: none"> May have to pay interest May spend more than you can pay later
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Mr. Smith used his credit card to buy a picnic table.
What is a reason for using a credit card?

- Besides using cash, here are some other ways people pay for things. All of these use money in a person's checking account.

Checks	Debit Cards	Electronic Payment
<p>Advantages</p> <ul style="list-style-type: none"> Record of all purchases Safe in the mail <p>Disadvantages</p> <ul style="list-style-type: none"> Takes time to fill out Not always accepted May have bank fees Can spend more than you have 	<p>Advantages</p> <ul style="list-style-type: none"> Fast and easy Record of all purchases <p>Disadvantages</p> <ul style="list-style-type: none"> Not always accepted Can spend more than you have 	<p>Advantages</p> <ul style="list-style-type: none"> Fast and easy Record of all purchases Safe <p>Disadvantages</p> <ul style="list-style-type: none"> Need Internet access

What is another way Mr. Smith could have paid for the picnic table?
What is an advantage of that method? What is a disadvantage?

On the Back!

- Lauren's mom wrote a check to pay for Lauren's new clarinet. What is an advantage of using a check? What is a disadvantage?

Name _____



Homework 16-3

Ways to Pay

Another Look!

Here are some ways you can pay for things:

- Cash
- Check
- Credit card
- Debit card
- Electronic payment

Each method of payment has advantages and disadvantages.



Here are some advantages.

Fast and easy:

Cash, credit card, debit card

Statement shows your spending:

Credit card, debit card, electronic payment

Accepted almost everywhere:

Cash, credit card

Here are some disadvantages.

Could spend more money than you really have:

Check, credit card, debit card

May have to pay fees or interest:

Check, credit card, debit card

Need Internet access:

Electronic payment

In **1** through **8**, tell which method of payment an adult might use for each purchase. Explain why.

1. \$12 for sunglasses

2. \$4.50 for a sandwich

3. \$440.16 for an airplane ticket

4. \$83.26 for an electric bill

5. \$11.88 for music downloads

6. \$150 for soccer camp

7. \$0.75 for a pack of gum

8. \$1,089 for a refrigerator