Name_____

Credit/Debit Cards

A credit card is a great financial tool. It can be more convenient to use and carry than cash and it offers valuable consumer protections under federal law. At the same time, it's a big responsibility. If you don't use it carefully, you may owe more than you can repay, damage your credit rating, and create credit problems for yourself that can be difficult to fix.

A Primer on Check and ATM Cards webpage

1. What is a debit card?

2. List two advantages and two disadvantages of using a debit card:

Consumer Resources webpage

3. List two advantages and two disadvantages of credit?

4. What are the three basic types of credit?

5. Which is better: a debit or credit card? Why?

6. What are the three C's of credit?

7. Use the cost of credit calculator and write below the total cost of a $500 purchase at 21% APR, paying the minimum balance of $15.
   (look at the menus at the top, choose “calculators”, then choose the “credit” calculator)

8. What can you do if you are turned down?

9. What are three Do’s and Don’ts?

10. List four credit card protections: