

# Practice



1. Match each person with the credit card you suggest.

**Person**

Stephen is a contractor who shops mainly at the local home improvement store.

Claudine has never had a credit card. She does not have a job. She wants a credit card so she can build credit.

Shantel is a cashier. She wants a credit card for occasional purchases and emergencies.

**Card**

standard

limited purpose

secured

2. Jack is a sales manager in Brandon. He wants to give each sales agent a credit card. He researched this information.

Card	APR	Grace period	Rewards
VISA	19.75%	21 d	yes
American Express	30.00%	28–31 d, depending on number of days in month	yes
MasterCard	19.97%	21 d	yes

a) What other information should Jack collect?

**Hint**

Use the charts inside the back cover.

b) On a MasterCard, interest is compounded daily. What interest is owed on a balance of \$1500 that is 60 d overdue?

c) Do you think it is useful to know the grace period? Explain.

5. Jackson just started his first job as a welder in Langley. He wants to apply for a credit card. Circle the advantages of a credit card. Cross out the disadvantages.

- build credit
- earn rewards
- can use in case of emergency
- lose track of money owing
- easy to spend more than you have
- easy to make unplanned purchases
- keep track of expenses
- interest can grow large

6. Why might you choose a card with a higher interest rate?

7. Why might you choose a card with an annual fee?

8. Why is it wise to pay the full balance on a credit card?