Questions for Guided Reading 1

1. What are two ways of using credit?

2. When you borrow money, you pay an extra amount for using someone else's money. What is that extra amount called?

3. A loan from Favorite Bank has a 10 percent APR. A loan from Best Bank has an 8 percent APR. Which loan costs less?

4. What are three things the site tells you about store credit cards?

5. If you cannot get a credit card, what can you get instead?

6. If you cannot get a loan, how can you borrow money?
Questions for Guided Reading 1 - Answer Key

1. What are two ways of using credit?
   - Use a credit card
   - Get a loan

2. When you borrow money, you pay an extra amount for using someone else's money. What is that extra amount called?
   - Interest

3. A loan from Favorite Bank has a 10 percent APR. A loan from Best Bank has an 8 percent APR. Which loan costs less?
   - The loan from Best Bank

4. What are three things the site tells you about store credit cards?
   - You can use it only in that store
   - Sometimes it is easier to get if you do not have a good credit history
   - Sometimes it can help you build your credit history

5. If you cannot get a credit card, what can you get instead?
   - A secured credit card

6. If you cannot get a loan, how can you borrow money?
   - Go to a payday lender
   - Use your car title
   - Pawn things