

Financial Education Ep 6 - Worksheet

1. Which sentence below best describes a credit card?

- a. A card which you use to buy things from the money already in your bank
- b. A card which you use to buy things directly in any shops then owe back the money to the bank or loan company
- c. A card which can only be used in one store, and you owe that specific store the money back

2. What are the two main things that credit card companies check, to see if they are willing to lend you one?

- a. Your address and your credit rating
- b. Your income and your job title
- c. Your credit rating and your income

3. What is it called when there is only a maximum amount you can spend on a credit card?

4. What is the lowest monthly repayment you can make off a credit if the minimum repayment is phrased "10% of the outstanding balance, with a minimum of £5" and you have £100 outstanding?

5. Fill in the blanks

An _____ Free Period means you only pay back what you borrow, if paid off by the _____ of the term.

A _____ Transfer is for moving your debt to a credit card with a lower A.___.R.

6. List an advantage and a disadvantage of credit cards?

Advantage: _____

Disadvantage: _____

7. On a credit card statement transaction list, if you see an amount with CR or dredit next to it, what is this transaction?

- a. A purchase in a shop
- b. A payment off your debt / balance
- c. Money transferred into your bank account

8. What does the payment slip on the bottom of a credit card statement allow you to do?
