Name:

Date:

# Unit 6 Graded Assignment

## Assignment Questions: Credit and Loans

Answer each question fully. Complete sentences are not necessary.

Total score: \_\_\_\_ of 29 points

 (Score for Question 1: \_\_\_ of 1 point)

1. If you are borrowing money and paying interest, would you prefer an interest rate that compounds annually, quarterly, or daily? Why? (2-4 sentences)

Answer:

Type your answer here.

(Score for Question 2: \_\_\_ of 4 points)

1. Open open the Example\_Credit\_Report, and then answer the questions below.
2. What is the total balance of Jessie Robinson's real estate account? (0.5 points)
3. What is the total balance of Jessie Robinson's revolving account? (0.5 points)
4. Has Jessie Robinson ever applied for bankruptcy? (0.5 points)
5. How many creditors have made inquiries about Jessie Robinson's credit? (0.5 points)
6. Do you think Jessie Robinson usually pays bills on time and in full? (1-2 sentences. 1.0 point)
7. Do you think Jessie Robinson's credit score would be great, normal, or poor? Why? (1-3 sentences. 1.0 point)

Answer:

Type your answer here.

(Score for Question 3: \_\_\_ of 1 point)

1. Describe a real or made-up but realistic situation in which you would want to use installment credit. (2-4 sentences)

Answer:

Type your answer here.

(Score for Question 4: \_\_\_ of 1 point)

1. Describe a real or made-up but realistic situation in which you would want to use noninstallment credit. (2-4 sentences)

Answer:

Type your answer here.

 (Score for Question 5: \_\_\_ of 1 point)

1. Describe a real or made-up but realistic situation in which you would want to use revolving credit. (2-4 sentences)

Answer:

Type your answer here.

Score for Question 6: \_\_\_ of 2 points)

1. If you had no credit history yet but wanted to establish one, describe what you could do in order to establish a credit history. (3-6 sentences)

Answer:

Type your answer here.

(Score for Question 7: \_\_\_ of 2 points)

1. Describe two things you can do to make sure you use credit responsibly. Explain why these things are important. (2-4 sentences)

Answer:

Type your answer here.

(Score for Question 8: \_\_\_ of 1 point)

1. If you were old enough to get a credit card but unable to get one because you didn't have enough of a credit history, which of the alternate options for establishing credit would you prefer to use? Why? (2-4 sentences)

Answer:

Type your answer here.

(Score for Question 9: \_\_\_ of 2 points)

1. Imagine that you have a friend who is struggling financially and is trying to choose a credit counseling service. Visit the FTC website: http://www.consumer.ftc.gov/articles/0153-choosing-credit-counselor to learn about what questions to ask, and then make a list of at least four questions your friend should ask the credit counseling service. (3-6 sentences)

Answer:

Type your answer here.

(Score for Question 10: \_\_\_ of 2 points)

1. Visit the website for a large bank or credit card company, and learn about a type of credit card being offered by the company. Describe at least four features of the card and where you got this information. (3-6 sentences)

Answer:

Type your answer here.

(Score for Question 11: \_\_\_ of 2 points)

1. Visit the website for a second large bank or credit card company, and learn about a similar type of credit card being offered by this company. Describe at least two differences between this credit card offer and the one from question 10 above. Which offer would you be more likely to choose? Why? (3-6 sentences)

Answer:

Type your answer here.

(Score for Question 12: \_\_\_ of 1 point)

1. Describe a real or made-up but realistic example of a time when you might apply for a loan. (2-4 sentences)

Answer:

Type your answer here.

 (Score for Question 13: NA)

1. Navigate to and open the Example\_FAFSA. Complete the steps below to save a copy of the file.. TIP: The FAFSA is the Free Application for Federal Student Aid. This application is used by many students to get federal funding for their college education.

 (Score for Question 14: \_\_\_ of 5 points)

1. Complete the FAFSA form using the information below. Be sure to save your work at the end! TIP: You won't need to fill out every line on the form. Just fill out the lines listed below. Use the information from Jessie Robinson's W-2 form folder to complete lines 1-8. TIP: Each numbered item on the FAFSA is called a line.
2. On line 9, use the birth date 7/15/97.
3. On line 10, use the phone number 206-555-0096.
4. On line 13, use the e-mail address jessierobinson@example.com.
5. On line 14, select Yes.
6. On line 16, select I am single.
7. On line 18, use WA.
8. On line 19, select Yes.
9. On line 21, select Female.
10. On line 23, select No.
11. Fill out lines 24 and 25. TIP: It doesn't matter which option you select, but be sure to answer both questions.
12. On line 26, select None of the above.
13. On line 28, select No.
14. Fill out lines 29, 30, and 31. TIP: It doesn't matter which option you select, but be sure to answer all three questions.
15. On line 32, select I have already completed my return.
16. On line 33, select IRS 1040A or 1040EZ.
17. Use the information from Jessie Robinson's 1040EZ to fill out lines 35, 36, 37, 38, and 39. TIP: It's okay that Jessie Robinson's W-2 and 1040EZ forms were from 2009, since this isn't a real application, but if you were filling the FAFSA out for yourself, you would need to use your tax information from the previous year, not an earlier year.
18. Fill out lines 40, 41, and 42. TIP: It doesn't matter what information you enter, but be sure to answer all three questions.
19. On line 45, select Yes. Select No for lines 46-57.
20. Skip the Step 4 section on pages 6 and 7. TIP: You're skipping Step 4 because you answered Yes to one of the questions in lines 45-67.
21. Fill out lines 93 and 94. TIP: It doesn't matter which option you select, but be sure to answer both questions.
22. Fill out line 100. TIP: It doesn't matter which option you select.
23. Skip Step 6 and Step 7. TIP: If you were filling out a FAFSA for yourself, you would fill in these steps, but since this FAFSA is just for practice, it's okay to skip these steps for now.
24. Click the File menu, and then click Save.

Answer:

Type your answer here.

(Score for Question 15: \_\_\_ of 1 point)

1. Explain the importance of reestablishing a positive credit history after bankruptcy. (2-4 sentences)

Answer:

Type your answer here.

(Score for Question 16: \_\_\_ of 1 point)

1. List and discuss at least three tips for improving a credit score after bankruptcy. (2-4 sentences)

Answer:

Type your answer here.

(Score for Question 17: \_\_\_ of 1 point)

1. List and discuss at least three types of predatory lending practices. (2-4 sentences)

Answer:

Type your answer here.

(Score for Question 18: \_\_\_ of 1 point)

1. List and discuss at least three types of illegal debt collection practices. (2-4 sentences)

Answer:

Type your answer here.