



**Business Finance Virtual Learning**

**11th and 12th/ Lesson:**

**Understanding Auto Loans**



Lesson: 4/30/2020

**Students will be able to:**

- Calculate how much an auto loan will cost given special offers as well as standard factors such as down payment, APR, and term
- Compare auto loan offers and decide how they fit within your budget
- Negotiate with car salespeople to get the best deal

## Question Starter:

Have you gotten an auto loan? If so, do you feel like you understand the process? If you haven't gotten an auto loan before, what is one question you have about the process?

## Background and Connection:

Students over the age of 16 are eligible for a drivers license and because of that some may want to start saving for a car. Understanding the loan process allows them to make the decision of whether they think it would be best to buy a car outright or apply for a loan.

Click on the activity link for  
Understanding Auto Loans and complete sections 1-4

## Understanding Auto Loans

## Exit Ticket:

1. How does increasing the size of your down payment impact your auto loan?
2. Which of the following is likely to INCREASE your monthly payment?
  - a. Increasing the size of your down payment
  - b. Qualifying for a lower APR
  - c. Decreasing the number of months in your term
3. Why should you never tell a salesperson the maximum amount you can afford per month?