



Personal Finance Virtual Learning

# 11th and 12th/ Lesson: How Credit Works



Lesson: 4/15/2020

**Students will be able to:**

- Explain how a credit card works in terms of making purchases and managing payments
  - Read a Schumer box and identify how terms of the card impact total cost of purchases
  - Understand how interest is charged and how to avoid or minimize it

What's one thing a person can do to  
avoid credit card debt?

**Question Starter**

## Lesson Link:

Click link and work through each steps

1-5

# Exit Ticket:

1. True or False: If you stop using your credit card for purchases, you won't ever have to pay interest again. Explain.
2. What term describes the amount you must pay in order to be considered "up-to-date" with your credit card payments?
  - a. Interest
  - b. Minimum payment
  - c. Closing balance
3. Name two fees you might see on your credit card statement.

## **Answer to the question starter:**

Monitoring your spending, buying things you know you can afford, and understanding interest rates and how credit cards work are some examples of ways to avoid credit card debt.