Credit, Interest and Debt: Worksheet

Jugami Personal Finance · Worksheet for https://jugami.com/personal-finance/credit-and-debt/ · For instant feedback, try the self-guided quiz online.

Name _____ Date _____

Directions: Use fictional figures only. Do not use real account numbers or family data. Show work for calculation items. Leave space under each problem for your answer.

1. Define **credit** and **debt** in one sentence each.

2. Circle which of these fictional cases is **open-end** credit and which is **closed-end**:

- A. A revolving card with a $1,000 limit that can be reused as balances are repaid.
- B. A $3,600 installment loan repaid in equal monthly payments over 36 months.

3. A fictional card lists a 19.99% purchase APR and a 24.99% cash-advance APR. In one or two sentences, explain why those two numbers can lead to different costs for the same dollar amount.

4. Name two costs besides APR that can raise the total price of using a credit card (from the lesson’s fee discussion).

5. Using the oversimplified teaching formula **I = P × R × T**, find the teaching interest for:

- P = $400
- R = 0.15 (15% APR)
- T = 2 years

Show each step.

6. Using the same formula, find teaching interest for P = $900, R = 0.10, T = 0.25 year. Show each step.

7. True or false, and explain: “Paying the minimum payment on time always means you will pay no interest.”

8. A classmate says everyone has exactly one credit score for life. Using CFPB ideas from the lesson, write a short correction.

9. List three kinds of information that often appear on a credit report.

10. Where should someone go for the free credit reports authorized by federal law (now available weekly)? Name the official website (and one alternate official channel if you remember it).

11. Why can checking your own report through the official AnnualCreditReport.com process be different from a lender pulling your report when you apply for credit? Answer in one or two sentences based on the lesson.

12. Invent a one-paragraph “Talk about it” response: describe a situation where someone might pay only the minimum this month and still need a longer-term plan.

13. Match each term to the best short definition:

- APR
- Principal
- Grace period
- Minimum payment

Definitions (use each once): (a) original amount borrowed; (b) yearly percentage cost of borrowing; (c) lowest payment the issuer will accept that month; (d) window when paying purchases in full by the due date may avoid purchase interest.

14. Calculation check: If teaching interest $I = \$36$ on principal \$600 for $T = 1$ year, what APR (as a percent) does the oversimplified formula imply? Show work.

15. Safety habits: List two private details students should never share when practicing personal-finance problems in class.