

Debit vs Credit Cards Homework

Vocabulary Review

1. A _____ is a card that allows a buyer to make a purchase while immediately removing money from a linked account.
2. A purchase made with a _____ allows a buyer to put off paying for a purchase, but may have to pay interest.
3. _____ is a charge for the use of credit or borrowed money, if the balance is not paid off in a set amount of time.

Credit card	Word Bank	interest
	debit card	

Problem Solving

4. What is one advantage of using a credit card over a debit card to pay for a purchase?
 - A. Using a credit card is never an advantage over using a debit card.
 - B. Using a credit card allows the purchase to be paid over time so it is less expensive.
 - C. Using a credit card is easier than using a debit card.
 - D. Using a credit card responsibly builds credit history, which can positively impact credit worthiness.
5. Which statement about using a credit card is true?
 - F. Banks charge less fees if users spend beyond their credit limit.
 - G. Each credit card purchase represents a loan that the user must repay later.
 - H. To purchase any item or service with a credit card, the user must have a PIN.
 - J. When a user purchases an item with a credit card, the bank deducts money directly from the user's checking account.

6. A shopper does not have enough money in his checking account for a purchase with his debit card. Each of the following outcomes is possible **EXCEPT--**

- A.** the shopper's debit card is declined due to insufficient funds, so the shopper cannot make the purchase.
- B.** the shopper's bank automatically transfers money from the shopper's saving account to cover the cost of the purchase.
- C.** the shopper's debit card is decline, but the store lets him override the refusal with his signature of acceptance.
- D.** the shopper's bank covers the cost but charges an overdraft fee of \$25, leaving a negative balance in the shopper's checking account.

Review

Solve each proportion.

7. $\frac{76}{304} = \frac{81}{k}$

8. $\frac{5}{j} = \frac{6}{19.8}$

9-11.

Position	1	2	3	4	n
Term	5	7	9	11	?

Rate: _____

Expression: _____

Equation: _____