

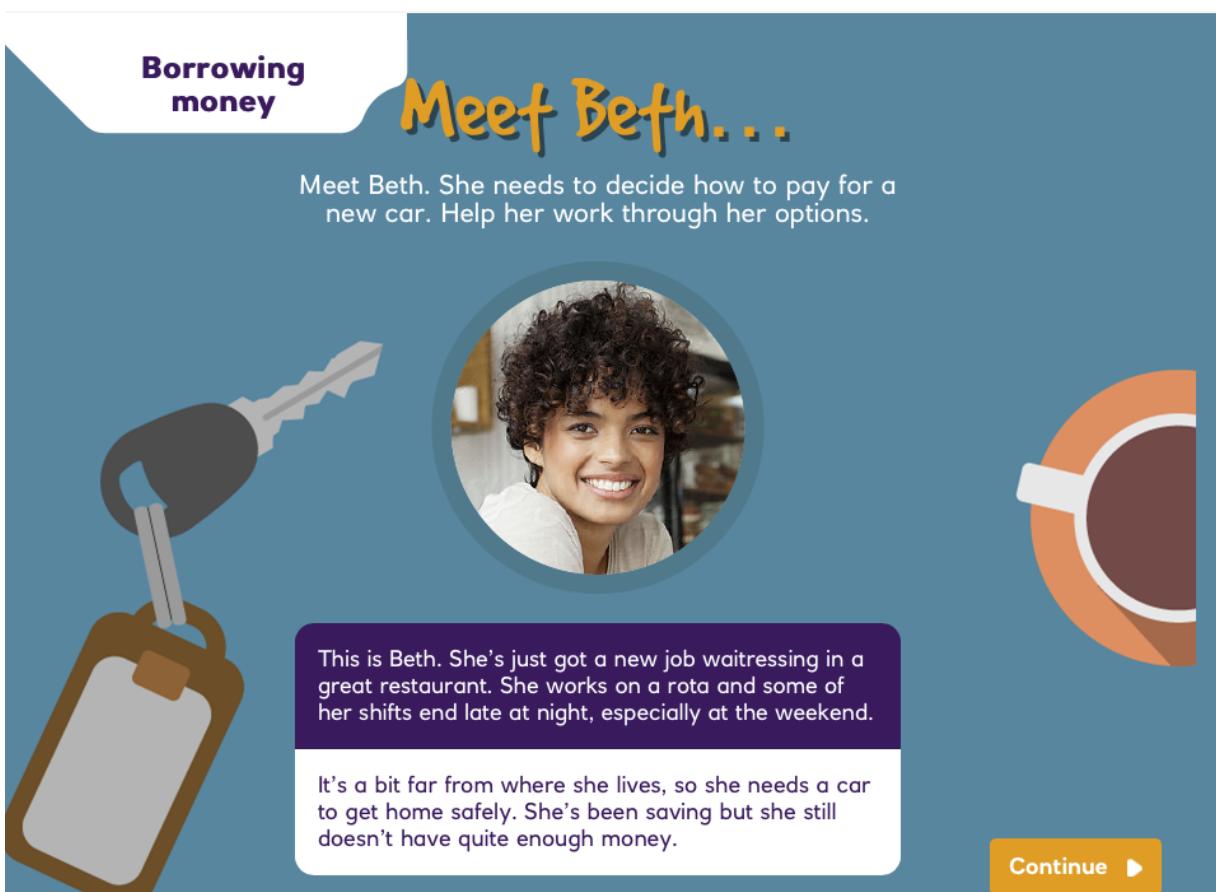
Borrowing money

Guide to interactive activity

**Borrowing
money**

Meet Beth...

Meet Beth. She needs to decide how to pay for a new car. Help her work through her options.



This is Beth. She's just got a new job waitressing in a great restaurant. She works on a rota and some of her shifts end late at night, especially at the weekend.

It's a bit far from where she lives, so she needs a car to get home safely. She's been saving but she still doesn't have quite enough money.

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Introduction

This case study introduces Beth who has just started a job in a restaurant and needs to buy a car to get to work. Your teen will explore her options and the potential outcomes.

They will work through three sections: a pre-activity quiz, followed by the interactive activity, and finishing with a post-activity quiz.

Guide

Your teen will be asked five pre-activity questions and be asked to choose the correct answer from the four multiple choice options. They will be congratulated for selecting the correct answer(s). If an incorrect response is selected then the right answer will be highlighted. Questions will focus around borrowing money. Afterwards they will be able to work through the interactive activity exploring this topic in more detail.

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Throughout the interactive activity there will be information that will help your teen to understand the advantages, disadvantages and potential outcomes of borrowing money.

They will be introduced to Beth who needs to decide how to pay for a new car. Your teen will learn about Beth's current situation as a waitress, her savings and the amount she will need to borrow to pay for the car. Discuss with your teen the additional costs of running a car, such as the insurance, tax and petrol.

Progressing through the interactive activity, your teen will be presented with four options to help Beth decide how to pay for the cost of the car:

- Borrow from her parents
- Lease from a car dealer
- Purchase car at a later date
- Take out a loan from the bank

Let your teen pick the option they would like to explore first. They will be able to look at the others later.

Borrow from her parents	
Pros	<ul style="list-style-type: none"> • [bullet] • [bullet] • [bullet]
Cons	<ul style="list-style-type: none"> • [bullet] • [bullet] • [bullet]

Each option will provide your teen with a space to jot down the pros and cons. Discuss with your teen the range of factors that may influence Beth's decision and the advantages and disadvantages of the option selected.

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Question Two

You take out a loan for £5000 with an APR of 10%. Your bank offers you a choice of repayment terms. Which term will have the lowest monthly repayment cost?

A 1 year B 3 year
C 5 year D 10 year

Things to consider:

- Financial implication including Beth's income, expenditure, savings, etc.
- Interest
- Personal safety
- Time
- Alternative methods of transport and the cost

After noting down the pros and cons, your teen will progress onto reading further information that will review the following considerations:

- Time
- Requirements
- Interest
- Risk
- Further points to consider

After discussing and exploring all options, your teen will make their decision and select one of the four possibilities. They will be given feedback on the option they choose. Your teen will also be permitted to view the feedback from the other choices.

Once your teen has read through and discussed the information presented they can work through the post-activity quiz. Using the knowledge they have gained to answer the questions.