

Student Understanding Credit Cards Exercise

Which of the following 3 credit cards would you choose to accept, if any? Which do you think has the best overall offer and will cost you the less total money if you have \$1000 balance left on it at the end of the year? **JUSTIFY YOUR REASONING!!!**

CREDIT CARD 'A'



IMPORTANT FACTS:

- 0% APR for 12 months (12.99% to 20.99% APR t hereafter)
- 3% Cash back on gas, grocery and drug store purchases
- \$35 Late Payment Fee
- \$0 annual fee

CREDIT CARD 'B'



IMPORTANT FACTS:

- 3.9% APR for 6 months (15.24% APR thereafter)
- 5000 JetBlue miles with first purchase
- Earn 8 TrueBlue points for every dollar spent
- \$40 Annual Fee
- \$0 Over-the-limit Free

CREDIT CARD 'C'



IMPORTANT FACTS:

- 0% APR until May 2012 (10.9% to 18.9% APR thereafter)
- Free auto rental insurance
- \$0 Annual Fee
- \$0 Fraud liability
- \$35 Late Payment Fee