Credit Card Calculations

1. Use this website to calculate: <http://itools-ioutils.fcac-acfc.gc.ca/CCPC-CPCC/CCPC-CPCC-eng.aspx>

|  |  |  |
| --- | --- | --- |
|  |  | ***How long would it take you to pay off? What is the total amount (including interest) you would have paid?*** |
|  | **Interest rate** | **Minimum monthly payment of $10 / 3%** | **Minimum monthly payment + $5** | **Fixed monthly amount of $100** | **Fixed monthly amount of $200** |
| $500 | 19.99% | 6yrs, 8mths | $865.23 | 3yrs, 8mths | $696.29 | 0yrs, 6mths | $526.25 | 0yrs, 3mths | $515.36 |
| $750 (cell phone) | 19.99% | 9yrs, 2mths | $1427.38 | 5yrs, 3mths | $1141.60 | 0yrs, 9mths | $807.87 | 0yrs, 4mths | $781.02 |
| $3500 (used car) | 19.99% | 18yrs, 9mths | $7611.02 | 12yrs, 11mths | $6750.32 | 2yrs, 6mths | $3142.36 | 1yrs, 5mths | $3592.52 |
| $5000 (tuition payment) | 19.99% | 20yrs, 11mths | $10983.91 | 14yrs, 11mths | $9971.11 | 4yrs, 2mths | $7357.06 | 2yrs, 1mths | $4851.61 |

1. Give 2 reasons why a credit card would benefit you.

Pay it back separately and help you buy car or house that you can borrow money from the bank.

1. Name 2 common mistakes people make with credit cards.

Use the money too much and can’t pay back

Don’t save receipt

1. Give 2 reasons why people having credit cards benefit the banks/providers.

Banks can make money from it when you pay money back.

Users use more money then banks make more money.

1. Use this website to compare credit cards: <http://itools-ioutils.fcac-acfc.gc.ca/STCV-OSVC/ccst-oscc-eng.aspx>

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Credit Card #1** | **Credit Card #2** | **Credit Card #3** |
| ***NAME OF CARD*** | MBNA Credit Card | American Express Essential Credit Card | Capital One Bank |
| ***BANKING INSTITUTION*** | A division of the Toronto-Dominion Bank | Amex Bank of Canada | Capital One bank |
| ***TYPE OF CARD(Ex. Visa, Mastercard, etc.)*** | Visa | Visa | MasterCard |
| ***ANNUAL FEE*** | No annual fee | No annual fee | No annual fee |
| ***INTEREST RATE*** | 5.9900% | 8.9900% | 19.8000% |
| ***PERKS/BENEFITS*** | Enjoy a standard interest rate between 5.99%-14.99% (based on your credit worthiness). Access to 24/7 customer service, Around-the-clock-fraud protection, Immediate cash access at over 1 million ATMs worldwide, Minimum Payment Calculation: 1% of your new total balance (excluding any new interest charges); plus all new interest charges. If your new balance total is less than $15, the minimum payment will equal the new balance total. Cash advance fee in Canada: 1.00% of amount (Min. $7.50, no max.). | Enjoy a low 8.99% interest rate on purchases  | Mastercard, Everyday and Travel Benefits |

Which card do you prefer and why? Explain in multiple sentences your reasoning.
I would use MBNA credit card, because it has many benefits. For example, In the world this bank have more than 1 million ATMs, and you can talk cash immediately.

Which card do you **NOT** prefer and why? Explain in multiple sentences your reasoning.
I would not prefer Capital One MasterCard, because some place are not accept MasterCard.