Credit Card Calculations

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

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|  |  | ***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, 8\_mths | $865.23 | 3\_yrs, \_8mths | $696.29 | \_yrs, \_6mths | $526.55 | \_yrs, \_3mths | $515.36 |
| $750 (cell phone) | 19.99% | 9\_yrs, \_2mths | $1427.38 | 5\_yrs, \_3mths | $1141.60 | \_yrs, \_9mths | $807.87 | \_yrs, \_4mths | $781.02 |
| $3500 (used car) | 19.99% | \_18yrs, \_9mths | $7611.02 | 12\_yrs, \_11mths | $6750,32 | \_2yrs, \_6mths | $4468.66 | \_1yrs, \_5mths | $4018.50 |
| $5000 (tuition payment) | 19.99% | \_20yrs, \_11mths | $10,983.91 | 14\_yrs, \_11mths | $9971.11 | 4\_yrs, \_2mths | $7365.06 | 2\_yrs, \_9mths | $6521.02 |

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

-it allows you to not always bring cash everywhere

-it gives you a month to pay off the bill

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

-people spend more then what they have

-they don’t understand how much it will cost after only paying minimum payments

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

-the banks will make a lot of money off people in debt

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

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|  | **Credit Card #1** | **Credit Card #2** | **Credit Card #3** |
| ***NAME OF CARD*** | syncro | TD emerald flex rate  | Coast visa platinum  |
| ***BANKING INSTITUTION*** | National bank of canada | TD | Coast capital savings  |
| ***TYPE OF CARD(Ex. Visa, Mastercard, etc.)*** | mastercard | visa | Visa  |
| ***ANNUAL FEE*** | $35.00 | $25.00 | $196.00 |
| ***INTEREST RATE*** | 7.2000% | 7.9500% | 9.9000% |
| ***PERKS/BENEFITS*** | Interest rate on purchases: Prime rate + 4% (Minimum rate of 8.9%) Interest rate on balance transfers and cash advances: Prime rate + 8% (Minimum rate of 12.9%) | This is a variable rate product based on TD Prime which, as of January 18, 2018 is 3.45%, plus one of six fixed rate tiers. The rate shown here uses the current lowest fixed rate tier of 4.50%. This card is well suited if you typically carry a monthly balance. Interest > Purchases: TD Prime + 4.50% up to TD Prime + 12.75%, Cash Advances: TD Prime + 4.50% up to TD Prime + 12.75%. Visit http://www.tdcanadatrust.com/customer-service/todays-rates/td-prime/prime.jsp for current TD Prime. | Emergency healthcare coverage: up to $5 million/person • Up to 60 days travel insurance • Trip interruption and cancellation insurance: up to $2,500/person before departure and unlimited after departure • Common carrier accident coverage: up to $1 million/person • Baggage coverage: up to $1,000/person • Exclusive annual cash back of 1% in the form of an account credit once purchases reach $20,000/year • Purchase protection • Auto rental collision/loss damage insurance |

Which card do you prefer and why? Explain in multiple sentences your reasoning.

\_i would prefer the TD emerald card because iit is the best price for the features. Also it has a lot of benefits, with a low cost and a low interest rate.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
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Which card do you **NOT** prefer and why? Explain in multiple sentences your reasoning.

\_\_the one I would least prefer would be the coast visa platinum because even though it has a lot of benefits the price of the card is very high and the interest rate is very high \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
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