

Activity 1: Credit and Store Cards

Work in groups for this exercise in order to get lots of ideas



You will need the information on pages 20 and 23–25 of 'money money money' to help you complete the work in this activity

Step One:



Write down the name of as many credit card companies as you can think of, e.g. Barclaycard.

Step Two:



Make a collection of advertisements for credit cards. You will find these:

- In newspapers and magazines
- In junk mail coming through the door
- On Internet provider sites
- In television advertisements



Add the names of the companies you have researched to those you thought of in Step One.

Step Three:



Investigate your high street shopping centre. How many of the stores offer store cards, allowing you to buy goods on credit? (e.g. Debenhams). Divide the stores you visit among the members of the group and share all your information at the end.

Step Four:



Go to page 20 of 'money money money' to find out what APR means. Write down the meaning in your own words. Make sure you know what the word 'interest' means. Look at page 20 again, and also pages 23 to 25. Ask your teacher if you have problems understanding this information.

Step Five:



Make a note of all the APRs for the credit and store cards you have listed.

Step Six:



Arrange them all in order from the lowest APR to the highest APR.

Step Seven:



Some cards will give a low APR for a certain number of months and then raise it so you are paying more interest. From the information you have gathered, see if this is true of any of the credit or store cards you have on your list.

Step Eight:



Some cards offer you free gifts if you set up an account with them. See if this is true of any of the credit or store cards you have on your list.

Step Nine:



Some store cards offer you a percentage amount off all goods if you set up an account with them. See if this is true of any of the store cards you have on your list.

Step Ten:



Some credit card companies offer you a lower APR if you transfer money you owe on another credit card, to them. See if this is true of any of the credit cards you have on your list.

Step Eleven:



Display all your final results on a chart or spreadsheet. Together with the other members of your group, present your results to the rest of the class.

Step Twelve:



Try to draw conclusions or inferences from what you have learnt. Is there a better credit company to go with, because of what they offer? Are all credit companies dangerous to use? Or do you just have to be careful?

Extension Activities

- 1) Find out what AER means (page 20, "money money money") and find out how it differs from APR.
- 2) Go to the website www.credit-card-application-online.info and have fun with an online credit card calculator.
- 3) Design a leaflet - one-page of A4 folded into a three page leaflet - entitled "The Dangers of Having a Credit Card – a guide for young people." There is a lot of information on the recommended pages of 'Money Money Money' to help you. Assemble all this information first and then decide how you will present it in your pamphlet. You may use desktop publishing for this task. Include such factors as the 'minimum payment trap', late payment fees and overlimit fees.
- 4) Find out what 'chip and pin' means and how it works. Discover the ways in which this method can be made more secure for the customer.