

Name_____

Period_____

CREDIT BASICS

1. What is credit?
2. What are the three main types of credit?
 - a.
 - b.
 - c.
3. _____ is credit you receive when you make a purchase now and promise to pay for it later.
4. What is an open charge account? What is the benefit of this type of an account?
5. What are three examples of service credit?
 - a.
 - b.
 - c.
6. List five advantages of using credit.
 - a.
 - b.
 - c.
 - d.
 - e.
7. What are five disadvantages of using credit?
 - a.
 - b.
 - c.
 - d.
 - e.

8. Installment debt should not exceed _____ of your annual net income.
9. List four places to go for credit.
- a.
 - b.
 - c.
 - d.
10. What does APR mean?
11. What is a credit rating?
12. Identify two ways to establish credit.
- a.
 - b.