

Activity 20 Assessment

Borrowing Money

Borrowing Money		
<p>Defines the term loan and identifies some reasons why people might borrow money.</p> <p>“I know that vehicles are a lot of money and people may need to borrow money to purchase one.”</p>	<p>Identifies basic sources of loans and understands that borrowing money involves repayment.</p> <p>“I know that a bank or financial institution may lend money and that it needs to be repaid. If not repaid, there will be penalties and it will be difficult for me to get a loan in the future.”</p>	<p>Identifies factors to consider when deciding to borrow money.</p> <p>“I have a full-time job with a regular income and the interest rate is quite low. I can afford the monthly payments and would be able to pay the loan back on time.”</p>
Observations/Documentation		

Activity 20 Assessment

Borrowing Money

Borrowing Money (cont'd)		
<p>Identifies factors used by banks and financial institutions when making decisions about loans.</p> <p>“They have a full-time job, a good loan history, and very little debt. I think the bank would grant them the loan.”</p>	<p>Analyzes the risks and benefits of borrowing money in a variety of situations.</p> <p>Jane wants a \$200 loan to buy a new bicycle. Jane plans to pay it back in 3 monthly installments. Jane earns \$50 per week from their part-time job.</p> <p>“Jane makes about \$200 per month from their part-time job. A new bicycle will get Jane to and from their job. The repayment time is reasonable. There is a risk that Jane loses her job and source of income.”</p>	<p>Identifies situations where an individual can responsibly take on debt.</p> <p>“Jane makes about \$200 per month, so they should be able to pay back \$200 over 3 months. It seems unlikely that Jane will lose their job, and the risk of Jane not repaying the money seems low. I think Jane can responsibly take on the debt.”</p>
Observations/Documentation		