Consumer Math

## Study Guide for Chapter 7 quizzes and test

Know these things:

* Difference between markup from invoice price of a car and a discount offer on the sticker price (p. 245)
* How to figure monthly payment for a car purchase, including how to figure the amount financed (p. 249)
* Difference between accumulated depreciation vs. resale value (depreciated value) (p. 255)
* About buying a used car, including paying for inspection and repair
* How to tell if a used car is a good deal (Ex. 3 on pp. 259-260)
* The advantages and disadvantages of leasing a car
* How to calc the initial payment on a lease (understand that the security deposit [p. 263 bottom paragraph] is an ***extra*** month’s lease payment)
* How to calc insurance premiums (on the quiz, you will need to apply the good student discount to ***each*** individual premium rather than to the lump sum as you did in your work (#4 of Ex. 2 on p. 271)
* How to figure gas, tire, and maintenance expenses

For both quizzes and test, you will figure ***actual*** cost of gas and therefore do not need to round gallons or dollars since it is not a budget item; just give cost to the nearest cent.

***IN ADDITION***, for the ***test***, know these things:

* Items included in cost of ownership/operation
* How base price, options, and sticker price are related (think about a formula ) (Ex. 26, p. 247)
* When cars lose value most rapidly (p. 254)
* How depreciation, original cost, and resale value are related (think about a formula )
* What factors affect depreciation (p. 254)
* What a Buyer’s Guide is (p. 258)
* What factors affect insurance premiums
* What kinds of things each type of insurance will pay for (liability, collision, and comprehensive)
* Which type of insurance is not affected by the type of car driven
* How to figure the refund for a defective tire based on remaining tread wear (Ex. 5, p. 276)