

My First Car

Name: _____ Section: _____

1. Describe your dream car.

2. Calculate the amount that you would need to borrow from a bank in order to purchase this car. Don't forget to add HST. Use a down payment of 10%.

Example:

Price = \$22,470

GST (5%) = \$1,124

PST (7%) = \$1,573

Total Cost = \$25,167

Loan Amount

= Total Cost - Down Payment

= \$25,167 - \$2,517

= \$22,650

3. Go to www.schoolroom.ca. Use the Loan Calculator in the Student Zone to determine the monthly payment for your loan amount. Assume your loan would be repaid over 4 years (48 months) with an annual interest rate of 3%.

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4. Comment on how realistic this payment will be for you in your first year after high school.

5. Investigate a used car alternative. Research the newspaper or visit a local car dealership to determine the cost for a used car. Calculate the corresponding monthly payment using the Loan Calculator at www.schoolroom.ca.

6. What are some other options for transportation after you leave high school? What are the costs associated with these options?

7. Talk with your parents about your plans for after high school. What mode of transportation do they feel is realistic for your first year after graduation?

8. Parent Signature:

