1. Define these terms (see page 288 / 289):
   a) loan: __________________________________________
   __________________________________________________________
   b) amortization period: ______________________________________
   ____________________________________________________________
   c) line of credit: __________________________________________
   ____________________________________________________________
   d) overdraft protection: _____________________________________
   ____________________________________________________________
   e) default: _________________________________________________
   ____________________________________________________________
   f) collateral: ______________________________________________
   ____________________________________________________________
   g) asset: _________________________________________________
   ____________________________________________________________

2. Read “Discuss the ideas” on page 289.
   a) what is a secured loan? ____________________________________
   ____________________________________________________________
   b) what is an unsecured loan? _________________________________
   ____________________________________________________________
   c) How do interest rates differ between the two loans? ______
   ____________________________________________________________

3. Turn to page 293. Fill in the blanks.
   a) Banks sometimes offer ____________________ protection, allowing you to
      ____________________ more money from your bank account than you have available.
      If you write a cheque more than your balance, you may be charged a ________.
b) Many financial institutions do not allow _______________. If you write a cheque, it could be returned __ __ __ (________ ______________ ____________). You may be charged a fee for this, between $____ and $____.

4. Use the personal loan payment calculator on page 292. Follow these steps:

For example, Fred has a $15,000 loan for 3 years at 4.75%. Determine:
- Monthly payment (find the number on the chart per $1000) → $29.64
- Multiply that by 15 (because there are 15 - 1,000s in $15,000) 29.64 x 15 = $444.60
- total to be paid back (= 444.60 x 3 x 12 = $16,005.60
- interest paid = 16005.60 – 1500 = $1005.60

a) Shirley: $21,000 loan over 4 years @ 5% b) Jason: $6000 loan over 2 years @ 7.5%

c) May: $36,000 loan over 5 years @ 3.5% d) Doug: $17,700 loan over 3 years @ 4.75%.

5. Do Questions number 2 and 6 (a and b) on pager 295 and 296

2a) 

2b) 

2c) 

2d) 

6a) Option 1: Options 2: Options 3: 

Total cost: