

NAME: _____

DATE: _____

PRE-QUIZ

Credit & Borrowing

What + Why: A quick, ungraded check on what you already know—your answers help shape the learning ahead. It's okay not to know—just give it your best shot.

Instructions:

1. Answer each question as best you can.
 2. Circle the best answer for each question.
 3. Submit it when you're done.
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1. Which payment method involves borrowing money from a lender?
 - a. cash
 - b. debit card
 - c. prepaid card
 - d. credit card
 2. Which group is most commonly associated with offering consumer loans and credit accounts?
 - a. banks, credit unions, and retail stores
 - b. employers, libraries, and schools
 - c. public parks and transportation agencies
 - d. checking accounts and savings accounts

3. Two loans have the same interest rate, but one has a longer repayment term. Which statement is most accurate?
 - a. The longer-term loan will always have lower monthly payments and lower total cost.
 - b. The longer-term loan usually costs more overall because interest may accumulate over a longer repayment period.
 - c. The loan term does not affect total cost.
 - d. The longer loan term eliminates interest.

4. A borrower chooses a loan mainly because the monthly payment is low. What is a possible long-term consequence of this decision?
 - a. paying more interest over time
 - b. improving their credit score immediately
 - c. eliminating interest charges
 - d. reducing the total repayment period