

CDFS 600 – Module Assignments Lesson Plan Template

List which Module this lesson plan covers: **MODULE 1**

Title of Lesson/Subject: **“Managing expenses of your first automobile”**

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Time Allotment: **2-50 minute sessions**

Grade Level or Target Audience: **10-12 grade**

ND Standards Competencies: **Benchmarks 12.3.1, 12.3.3**

Key Economic Concepts: **Choice, Marginal Cost/Benefit, Markets-Price and Quantity Determination, Role of Money, Role of Interest Rates, Role of Resources Determining Income, Macroeconomy/Prices,**

Brief Description:

Learner Objectives: **1. How to manage money while owning a vehicle. 2. How much money will it take for upkeep on a vehicle? 3. Does my lifestyle and interests have to be sacrificed because of price?**

Introduction: **In this assignment, students will learn how to manage money by having ownership of an automobile.**

Materials Needed: **computer access to internet and word processor. Assignment can also be done with pen, paper and calculator.**

Audio/Visual Equipment Needed: **Can use overhead projector with computer to help search online.**

Lesson Outline: **Students are given two example cars. They are to pick Car A, worth \$10,000 or Car B, worth \$3,000. Parents are going to give teenager \$20 a week to help car expenses. Otherwise the teenager is responsible for all expenses. Various questions will be asked on which ever automobile they choose to drive.**

Resources: www.kbb.com
www.autotrader.com
[any car insurance website](#)

Activities: **Students will be given a variety of essay questions. Answers to questions can be found on the internet.**

Application/Assignment: **Research will be done on the web. All questions will be in Essay/Business Math Story problem form.**

Evaluation Plan: **Students will be evaluated on how they answered essay questions.**

Managing expenses of your first automobile

DESCRIPTION:

Every teenager is different, just like every teenager's needs are different. In this assignment, you, the consumer are to buy your very first automobile. Only problem is, you get only two choices. Pick which automobile you will be the proud owner of.....

<p>Car A PRICE: \$10,000</p>		<p>2000 Volvo S40 Turbo 58,000 miles</p>
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or

<p>Car B PRICE: \$3,000</p>		<p>1996 SATURN SL 93,127 miles</p>
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WHICH CAR DID YOU CHOOSE? (circle one) Car A or Car B

With the purchase of your automobile, you are in charge of:

- 1) monthly payment
- 2) car insurance
- 3) repairs and oil change
- 4) fuel

Your parents are going to help you with some expenses. They plan on giving you \$20 a week to help with expenses. You may have a part time job to pick up rest of expenses, that is your choice.

1. If your parents give you \$20 a week and there is $4\frac{1}{2}$ weeks in a month, how much will you receive from your parents a month? _____

According to your choice of automobile, answer the questions below.

INSURANCE

2. When purchasing insurance, how much does teenager have to pay for insurance every year?

Liability insurance: _____

Full Coverage: _____ (answers may vary according to company)

3. Which insurance is cheaper? Liability or Full coverage

Why is it cheaper in price?

4. Which coverage is more beneficial to you in case you get into an accident with your car?

5. Why do you need "liability insurance" on your vehicle?

6. Which type of insurance did you choose for your vehicle? **Liability** or **Full coverage**

Why did you make that choice?

7. What is Collision Insurance cover?

CAR PAYMENT

Getting a car loan, interest rates can run from 6 to 7% interest rates and loans on cars can run anywhere from 3 to 5 years. Figure out questions below by using an interest rate of 6.5% for your loan for a rate of paying off your car in 4 years.

1. How much is your total loan for? **((interest rate x amount of loan) + amount of loan)**

2. What is your monthly payment on loan? **(total loan amount / 48 months)**

3. What does the term "Collateral" mean?

Why does a bank need it when you are getting a loan?

4. Is there a difference in insurance with a 2 door car compared to a 4 door car?

FUEL AND REPAIRS

Your car gets an average gas mileage of 32 miles to the gallon on the highway, and 19 while driving in city limits. You estimate that you have to fill your car every two weeks. You have a 12 gallon tank in your car. Gas price is set to \$2.85. According to these statistics, answer the questions below.

1. How much will it cost you to fill your car every two weeks?
2. How much will it cost you to fill your car for a year?
3. You get an oil change on your car every two months. The cost of the oil change is \$19.95. How much will it cost you to change the oil in one year?
4. Your tires are worn out on your vehicle. Don't worry, the new set of tires are guaranteed to last you for 40,000 miles. It cost \$55 dollars for 1 tire. How much will it cost to replace all your tires on the car?

TOTAL COSTS FOR THE YEAR

1. If you were to take your insurance payment, car payment, oil change, all the gas bought in one year and add it up, how much would you be paying for upkeep of your car.
2. Where you able to make the money your parents gave you to upkeep your car without using any of your own money? Yes or No

Why or Why Not?

4. After doing this lesson, do you feel you chose the car you wanted?
5. What did you learn from this lesson about owning a car?