

---

## Questions for Guided Reading 1

1. What are two ways of using credit?

---

---

2. When you borrow money, you pay an extra amount for using someone else's money. What is that extra amount called?

---

3. A loan from Favorite Bank has a 10 percent APR. A loan from Best Bank has an 8 percent APR. Which loan costs less?

---

4. What are three things the site tells you about store credit cards?

---

---

---

5. If you cannot get a credit card, what can you get instead?

---

6. If you cannot get a loan, how can you borrow money?

---

---

---

---

## Questions for Guided Reading 1 - Answer Key

1. What are two ways of using credit?

*Use a credit card*

---

*Get a loan*

---

2. When you borrow money, you pay an extra amount for using someone else's money. What is that extra amount called?

*Interest*

---

3. A loan from Favorite Bank has a 10 percent APR. A loan from Best Bank has an 8 percent APR. Which loan costs less?

*The loan from Best Bank*

---

4. What are three things the site tells you about store credit cards?

*You can use it only in that store*

---

*Sometimes it is easier to get if you do not have a good credit history*

---

*Sometimes it can help you build your credit history*

---

5. If you cannot get a credit card, what can you get instead?

*A secured credit card*

---

6. If you cannot get a loan, how can you borrow money?

*Go to a payday lender*

---

*Use your car title*

---

*Pawn things*

---