

**ACTIVITY 3**  
**PLANNING YOUR CREDIT PURCHASE**

Name \_\_\_\_\_

**Situation 1**

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|---|---|
| What decision are you trying to make?   | <i>Determine the costs and benefits of purchasing a prom dress with a credit card.</i>                    |
| What goals do you hope to accomplish in making your decision?   | <i>Have a dress for the prom.</i>   |
| What are the alternatives?  | <i>Don't buy the dress, look for another dress, ask Grandma to sew a dress.</i>                           |
| List the <i>benefits</i> of the purchase with a credit card.  | <i>Take advantage of the sale price of the dress, don't have to spend time to look for another dress.</i> |
| List the <i>costs</i> of the purchase with a credit card:   | <i>Cost of the dress plus the finance charge, Grandma's feelings may be hurt.</i>                         |
| Make a decision<br><ul style="list-style-type: none"> <li>• Which alternative best matches your goal?</li> <li>• What do you gain with each alternative?</li> <li>• What do you give up with each alternative?</li> </ul> |   |