

Buying A Car

Applied Math

Name: _____ Date: _____

Directions: You are going to research the buying of a car. Here are the steps you should follow: 1. You will need to realistically identify the amount of money you will be able to spend. 2. Then you will identify what type of car will meet your needs. 3. You will create a list of the cars that meet your specifications. 4. You will research the reliability of the cars on your list. 5. You will find cars advertised locally that meet all your requirements. 6. You will lookup the value of each car still on your list. 7. You will identify at least three places where you would be able to secure a loan. 8. You will attempt to qualify for a loan for that car, identifying the costs of your loan in terms of interest and principle. 9. Identify the cost for putting the car on the road.

Step 1. Identify the amount of money you can spend on a car. Be realistic. Answer these questions:

- How much do you make per week? _____
- How much are your current weekly bills? _____
- How much are your current monthly bills? _____
- What are your total monthly costs? _____
- What do you have left to spend each month? _____

Step 2. What type of car will meet your needs? Take into account all the things you may need to use your car for?

- Will you need to haul anything with your car? _____
- Will you need to have more than 2 people in your car? _____
- Will you need four wheel drive? _____
- Will you need to drive lots of distance? _____
- How much gas can you afford to buy each week? _____
- How much could you spend on repairs each month? _____

Step 3. Create a list of at least 5 cars that meet your needs based on the above requirements.

_____	_____	_____
_____	_____	_____

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Step 4. Research the reliability of the cars on your list. You may want to consider using Consumer Reports for this.

Car	Engine	Cooling	Transmission	Drive	Fuel	Elec.	Overall
1							
2							
3							
4							
5							
6							

Which car is the most reliable? _____ Least reliable? _____

Step 5. Find at least 3 cars listed locally that meet your needs. You may want to use the Press Herald, pressherald.com, The Sentry, unclehenrys.com, or other local sources. List the three cars, the details, along with contact information.

Make, Model, Year	Price	Features	Contact info
1			
2			

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Make, Model, Year	Price	Features	Contact info
3			

Step 6. Look up the value of each of the three cars you found. Use kbb.com for this. You must factor in Year, Make, Model, Features, Mileage, and Location to find the price.

Car 1 _____ Car 2 _____ Car 3 _____

Step 7. Find at least three places where you could secure a loan for one car on your list. You may want to consider banks and credit unions to find the best deal.

Institution 1: _____

Institution 2: _____

Institution 3: _____

Step 8. Determine what your loan will actually cost. You should come up with the monthly payment and determine the amount of principle and interest over the life of the loan.

Monthly payment _____ Interest _____ Principle _____

Step 9. What will it cost to put your car on the road? Identify taxes, registration, and insurance costs.

Excise tax: _____

Plates & registration: _____

Insurance: _____

Total..... _____

Step 10. Determine the total cost of purchasing your car. Compute the ongoing costs, such as loan payment, insurance, and gas, into a monthly cost.

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One time costs	Monthly costs	Weekly costs
Registration:	Loan:	Gas:
Taxes:	Insurance:	
Other:		
Total		