**Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_**

**Chapter 12—Saving and Borrowing**

1. Give at least two reasons why you should save money.
2. When shopping around for a savings account, there are many things to consider. Please list and explain each of the four reasons.
	1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Explain each of the three types of savings accounts. If you could choose one, which would best suit your needs, and why?
4. Why does it make sense for consumers to deposit their savings in a bank instead of keeping it at home?
5. What does it mean when a savings account requires a minimum deposit?
6. Give at least two reasons why you should borrow money.
7. What is the principal on a loan?
8. Explain what it means to pay back the principal plus interest on a credit card.
9. What are the costs and benefits of credit cards?
10. When shopping for a credit card, there are many things to consider. Please list and explain each of the considerations.
	1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
11. If you charge a purchase on a credit card, why is it a good idea to pay it off as soon as possible?
12. Why do you think it is important not to overspend on your credit cards?
13. Explain what a bank loan is, and what collateral is.
14. What would you borrow money from a bank for? Why do you think it can take so long to pay back the money you’ve borrowed to the bank?