**Personal Finance Project DO THIS SHEET 2nd**

**Economics, Mr. Van Brimmer, Formative**

**Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Class Period:\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ /5**

**Auto Purchase Worksheet**

**Overall Sheet Description:** *In this part of the Personal Finance Project you will be researching about buying a car.*

**Directions:** *Follow the steps below and answer the questions that are required.*

1. In order to buy an automobile, you need to know how much you can afford to spend. Experts suggest that you spend no more than 10% of your income per month on car payments. Typical car loans are 60 months (5 years). Fill out the below information to calculate the maximum amount of money you can spend on an automobile.

|  |  |
| --- | --- |
| Information to Find | Value |
| 1. Get out your “Career Worksheet” and write down how much money you will make per year in the career you are interested in (pick a number that is in the middle of the range provided). This number is in PART II, #5, Letter D.
 |  |
| 1. Take the number from letter A above and multiply it times 5. This will allow you to figure you how much money you will make over 5 years (the length of your car loan)
 | (A x 5)= |
| 1. Take the number from letter B above and multiply it times .09. This will calculate the maximum you can pay for an automobile and give you room to pay for the interest on the car loan.
 | (B x .09)= |

1. Go to the web page <http://www.kbb.com/>. This web site is Kelly Blue Book. Kelly Blue Book has been the standard for car pricing since the early 20th century. You may use other web sites if you would like.
2. Go to “Your Tools for Buying and Selling New & Used Cars” in the middle of the homepage. Click on “Cars For Sale”. This is in small print in the middle of the homepage. Enter your zip code when asked (if they ask).
3. Follow the directions on the web site to select a car that is in your price range from #1, letter C. You may spend less if you would like.
4. Answer the below questions about the car you picked to buy on ww.kbb.com.
5. Fill out the basic information below about the car you have picked. Make is the car manufacturing company (example: Toyota). Model is the type of care (example: Corolla)

|  |  |
| --- | --- |
| Price: | Year: |
| Make: | Model: |

1. Explain below why you chose the car that you did. List and explain at least three positives about the car that you picked.