

Handout B Key

Proceed with Caution – Answer Key

1. What is credit?
 - a. When you are recognized for doing a good job
 - b. When you borrow money from someone and promise to pay them back later**
 - c. When you are able to use cards to make purchases
2. What is interest?
 - a. Extra money you have to pay back to the lender**
 - b. Something that you like to do on your free time
 - c. The amount of money you borrow from a lender
3. What is the process known as “credit solicitation”?
 - a. When people contact the credit card companies and ask about getting a credit card
 - b. When people spend too much on their credit card and receive a notice in the mail
 - c. When applications for credit cards are sent to your home through the mail**
4. What percentage of people in their late teens and early 20s have credit cards?
 - a. 40%
 - b. 60%
 - c. 80%**
5. Of the people in their late teens and early 20s who have a credit card, what percentage of these people have four (4) or more credit cards?
 - a. 15%
 - b. 25%**
 - c. 35%
6. What is the credit card balance held by the average young person?
 - a. \$2,700**
 - b. \$3,700
 - c. \$4,700

