
Handout A

T/F Credit Statements

Listen carefully as I read each of the following statements. If you think the statement is true, give me a “thumbs up” sign. If you think the statement is false, give me a “thumbs down” sign.

1. Credit is “free money.”

(False)

2. If you buy with credit, you are responsible for paying the money back at a time that is convenient for you.

(False)

3. If you buy with credit, you are allowed to pay back as much as you want at a time.

(False—You have to pay at least the minimum due.

Note: Explain to students they can pay as much as they want to, as long as they at least pay the minimum)

4. Nothing really happens to you if you don’t pay back the amount you spent using credit.

(False)

5. There is a report that keeps track of every time you use credit.

(True)

6. When you pay back money that you spent through credit, you pay back the exact amount you spent.

(True and False)

Note: Tell students you will accept both answers and explain that this is true if you pay back the balance at once, and false if you pay it back over time.)

7. It is illegal to deny someone a credit card if they apply for one.

(False)

8. A cell phone contract is a form of credit.

(True)

