

# Unit 8 Credit

Content Area: **Business Education**  
Course(s): **Principles of Business**  
Time Period: **April**  
Length: **10-12 Blocks**  
Status: **Published**

## **Enduring Understandings**

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There are costs to keeping and maintaining good credit.

There are credit laws that protect consumers and offer guidance.

There are problems associated with credit that need to be solved.

## **Essential Questions**

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What is credit?

Why is important to understand credit?

Why does one need good credit and how does one keep it?

Who do you think may be likely to have credit problems?

## **Content**

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Vocabulary

Cash advance

Cosigner

Grace period

Credit limit

Variable rate

Fixed rate

Down payment

Principal

Finance charge

Secured loan

Unsecured loan

Garnishment of wages

Repossess

Usury law

Credit report

Collection agent

Identity theft

Credit counselor

Consolidation loan

## **Skills**

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Define credit and indicate three factors that affect the interest that is paid.

Name different groups in our economy who use credit.

Identify three advantages and disadvantages of using credit.

Explain how you can develop a credit history.

Name five factors to think about when deciding which credit card to secure.

Define the three factors that creditors consider when granting a person credit.

Explain one major difference between credit cards, installment loans and mortgages.

Indicate at least three ways to maintain a good credit rating.

Discuss state and federal regulation of credit.

Describe federal laws that protect consumers.

Identify sources of credit fraud and precautions that can prevent it.

Discuss ways to repair credit problems.

## **Resources**

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## **Standards**

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NJ: 2014 CCCS: 21st Century Life and Careers

NJ: Grade 12

9.1 Personal Financial Literacy

Strand C: Credit And Debt Management

9.1.12.C.2 Compare and compute interest and compound interest and develop an amortization table using business tools.

9.1.12.C.5 Analyze the information contained in a credit report and explain the importance of disputing inaccurate entries.

9.1.12.C.6 Explain how predictive modeling determines “credit scores.”

9.1.12.C.9 Evaluate the implications of personal and corporate bankruptcy for self and others.