

# UNIT 3: CREDIT

Content Area: **Business**  
Course(s): **Financial Literacy**  
Time Period: **2 weeks**  
Length: **2 Weeks**  
Status: **Published**

## Unit Overview

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This unit prepares students to be conscious credit users. Students will describe credit, how to get and maintain good credit, and how credit impacts everyday life.

## Transfer

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Students will be able to independently use their learning to...

- Explain the nature of credit and the advantages and disadvantages associated with credit
- Understand where to get credit
- Identify how to be considered a creditworthy consumer

## Meaning

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## Understandings

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Students will understand...

- What credit is
- The advantages and disadvantages of using credit
- Where to get credit and types of credit cards
- Factors that determine credit worthiness and how to maintain a good credit rating
- Types of credit and costs associated with using credit

## **Essential Questions**

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Students will keep considering...

- What is credit?
- What is the nature of credit?
- What are the advantages and disadvantages of credit?
- Where are the places where you can get credit?
- What are the different types of credit cards?
- What are the five factors used by creditors to determine credit worthiness?
- Why is it important to be a credit worthy consumer?
- What are the types of credit that can be used?
- What are the costs involved in paying for credit?
- How does a consumers creditworthiness impact the cost of credit?
- How do consumers maintain a good credit rating?

## **Application of Knowledge and Skill**

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### **Students will know...**

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Students will know...

- The nature of credit
- The advantages and disadvantages of credit

- Places to get credit
- The various types of credit cards
- The five factors creditors use to consider creditworthiness
- The types of credit that can be used
- Costs involved in paying for credit
- How to maintain a good credit rating

### **Students will be skilled at...**

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Students will be skilled at...

- Describing the nature of credit
- Explaining the advantages and disadvantages of credit
- Naming places to get credit
- Identifying different types of credit cards
- Naming the five factors creditors use to consider creditworthiness
- Identifying types of credit that can be used
- Explaining costs involved in paying for credit
- Describing how to maintain a good credit rating

### **Academic Vocabulary**

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credit

creditor

debtor

interest

consumer credit

commercial credit

credit rating

charge account  
revolving account  
installment loans  
credit bureau  
credit limit  
cosigner  
down payment  
principal  
secured loan  
unsecured loan  
annual percentage rate  
finance charge  
variable rate  
cash advance  
grace period  
garnishment of wages  
repossess

## **Learning Goal 1**

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Students will be able to explain credit and the advantages and disadvantages of using credit.

- Students will be able to explain credit, the advantages and disadvantages of using credit, and the three main types of charge accounts.

CRP.K-12.CRP1	Act as a responsible and contributing citizen and employee.
CRP.K-12.CRP2	Apply appropriate academic and technical skills.
CRP.K-12.CRP3	Attend to personal health and financial well-being.
CRP.K-12.CRP4	Communicate clearly and effectively and with reason.
CRP.K-12.CRP5	Consider the environmental, social and economic impacts of decisions.
CRP.K-12.CRP6	Demonstrate creativity and innovation.
CRP.K-12.CRP7	Employ valid and reliable research strategies.

CRP.K-12.CRP11	Use technology to enhance productivity.
PFL.9.1.12.B.1	Prioritize financial decisions by systematically considering alternatives and possible consequences.
PFL.9.1.12.C.1	Compare and contrast the financial benefits of different products and services offered by a variety of financial institutions.
PFL.9.1.12.C.5	Analyze the information contained in a credit report and explain the importance of disputing inaccurate entries.
PFL.9.1.12.C.6	Explain how predictive modeling determines “credit scores.”
PFL.9.1.12.E.2	Analyze and apply multiple sources of financial information when prioritizing financial decisions.
TECH.8.1.12.A.CS2	Select and use applications effectively and productively.
TECH.8.1.12.E.CS2	Locate, organize, analyze, evaluate, synthesize, and ethically use information from a variety of sources and media.

## Target 1

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Students will be able to describe the nature of credit.

- Students will be able to describe the nature of credit.

## Target 2

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Students will be able to explain the advantages and disadvantages of using credit.

- Students will be able to explain the advantages and disadvantages of using credit.

## Learning Goal 2

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Students will be able to describe factors determining credit worthiness and how to maintain a good credit rating.

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CRP.K-12.CRP2	Apply appropriate academic and technical skills.
CRP.K-12.CRP3	Attend to personal health and financial well-being.
CRP.K-12.CRP4	Communicate clearly and effectively and with reason.
CRP.K-12.CRP5	Consider the environmental, social and economic impacts of decisions.
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PFL.9.1.12.B.1	Prioritize financial decisions by systematically considering alternatives and possible consequences.
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PFL.9.1.12.C.5	Analyze the information contained in a credit report and explain the importance of disputing inaccurate entries.
PFL.9.1.12.C.6	Explain how predictive modeling determines “credit scores.”
PFL.9.1.12.E.2	Analyze and apply multiple sources of financial information when prioritizing financial decisions.
TECH.8.1.12.A.CS1	Understand and use technology systems.
TECH.8.1.12.A.CS2	Select and use applications effectively and productively.
TECH.8.1.12.E.CS2	Locate, organize, analyze, evaluate, synthesize, and ethically use information from a variety of sources and media.

## Target 1

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Students will be able to identify and define the five factors creditors use to consider credit worthiness.

- Students will be able to identify and define the five factors creditors use to consider credit worthiness.

## Target 2

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Students will be able to define and explain credit limit.

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## Learning Goal 3

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Students will be able to identify and describe types of loans.

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CRP.K-12.CRP5	Consider the environmental, social and economic impacts of decisions.
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CRP.K-12.CRP7	Employ valid and reliable research strategies.
CRP.K-12.CRP11	Use technology to enhance productivity.
PFL.9.1.12.B.1	Prioritize financial decisions by systematically considering alternatives and possible consequences.
PFL.9.1.12.C.1	Compare and contrast the financial benefits of different products and services offered by a variety of financial institutions.

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TECH.8.1.12.A.CS2	Select and use applications effectively and productively.
TECH.8.1.12.E.CS2	Locate, organize, analyze, evaluate, synthesize, and ethically use information from a variety of sources and media.

## **Target 1**

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Students will be able to explain and compare installment loans and cash loans.

- Students will be able to explain and compare installment loans and cash loans.

## **Target 2**

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Students will be able to compare and contrast secured vs unsecured loans.

- Students will be able to compare and contrast secured vs unsecured loans.

## **Summative Assessment**

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Unit assessment will be created and will count as a Test grade. In addition, there will be other assessments in the form of a individual or group project and optional presentation.

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## **21st Century Life and Careers**

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## **Formative Assessment and Performance Opportunities**

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Worksheets

PowerPoint Discussions

Homework and Classwork Activities

Group Activities

In Class Discussions

Do Nows and Closures

Class Polling

Observation

Peer Observation and Critique

Educational Games

Test/Quizzes

Oral Presentation

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### **Accommodations/Modifications**

Differentiation:

Additional resources

NextGen Personal Finance: <https://www.ngpf.org/>

Accommodations/Modifications:

All instruction, labs, activities, and assessments will be modified and enhanced to individual students IEPs and 504s. Additionally, differentiated classroom management strategies will be utilized as to adhere to these student's individual plans.

Enrichment:

DECA international marketing enrichment activities are available. Role plays and tests are available in class and online at [www.deca.org](http://www.deca.org)



## **Unit Resources**

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Teacher generated PowerPoints, notes, projects and worksheets

Textbooks - Glencoe Introduction to Business

Internet Resources including (but not limited to): NGPF and Google Classroom

Computer based activities

Document projector

Overhead projector

## **Interdisciplinary Connections**

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MA.K-12.1	Make sense of problems and persevere in solving them.
MA.K-12.5	Use appropriate tools strategically.
LA.L.9-10.1	Demonstrate command of the conventions of standard English grammar and usage when writing or speaking.
LA.L.9-10.2.A	Use a semicolon (and perhaps a conjunctive adverb) to link two or more closely related independent clauses.
LA.L.9-10.2.C	Spell correctly.