

Spending Outside Your Budget

KNOWING WHEN TO USE CREDIT CARDS

Credit cards can make life easier. They can also be dangerous. People must be careful to use credit cards wisely. Read each situation below and give your opinion by circling “yes” or “no.” Be prepared to defend your answers during a class discussion.



Sandra's friend, Judith, went shopping and bought three new dresses. This has also put Sandra in the mood to shop. However, she cannot afford it right now. Should Sandra use a credit card?

Yes

No

Dan has had a toothache for four days. The dentist will charge \$250 to fix the tooth. Dan does not have the money, so he is thinking about charging it. Should he?

Yes

No

Cindy owes money for taxes. She was caught by surprise and doesn't have the money. Would using a credit card be a good idea?

Yes

No

Rolanda found a chair that would be perfect in her living room. She can save 50% today, but won't have the money until next month. Should Rolanda use a credit card?

Yes

No

Michael has saved enough money to buy a computer. However, using his credit card will build points toward an airplane ticket. Should Michael use the credit card?

Yes

No

Rusty is staying in a hotel. At check-in, they imprinted his credit card. Keeping up with credit card bills is a problem for Rusty. He has cash with him, but charging would be easier. Should he?

Yes

No

Doug does not like to charge. He is ordering tickets for a professional basketball game. The choices are to use a credit card or purchase the tickets in person. Should Doug use a credit card?

Yes

No

Angie has five credit cards. She often draws cash from one to make the payment on another. A new stereo has caught her eye. Should Angie use a credit card?

Yes

No