

I'm Not Flipping Burgers When I'm 70

Chapter 8 - Credit Card Management Review Questions

- 1) What is the caveat with credit cards?
- 2) What is considered a good credit score?
- 3) What is a good path to look for in obtaining a credit card?
- 4) What is a good way to use a credit card that allows an interest free period?
- 5) What is a safe interest-free way to establish a good credit score?
- 6) What is the first determiner in processing interest on a credit card?
- 7) How is the average daily balance derived each month?
- 8) What does APR stand for?
- 9) What are the components that constitute the credit card interest formula?
- 10) What is the typical percent range for the minimum payment amount?
- 11) What is the intent of the credit card company in relevance to the customer paying of balances by only making the minimum payment?
- 12) What is the end result of question 12 above?
- 13) A new credit card has accumulated \$4,000 in the first 15 days in June and another \$3,000 to end the month. With an APR of 12% what is the interest accumulated and what is the new balance? Include the minimum payment due which is at 2%? Refer to the Credit Card Interest and Tracker Worksheet.
- 14) Refer to problem 13 above. What is the balance after 50 months?
- 15) Refer to problem 13 above. What is the balance after 50 months after inputting \$50 per month in the Purchases column?
- 16) What is the best method to reducing credit card debt?
- 17) If a minimum payment is not made on a credit card, even a partial payment what is the result?
- 18) When credit cards payments are late for two consecutive billing periods what is the result?
- 19) What is the first step if you can partake in it, to lower credit card balances
- 20) When transferring a balance are there any charges associated with it?
- 21) What is the best method to paying down multiple credit cards and why?
- 22) Why do some financial experts believe in paying the card that is charging the least interest?