

Part I

Get on Google and go to autotrader.com.
Look up a car that you would like to own. Used and reasonable under \$10,000.

Information required:
You will need the make, model, year, and price you can realistically pay. Try to find it within 75 miles of your home zip code. It may take some time to find a suitable car on Autotrader.

Pick out three different cars on Autotrader and record the information on each:

1. Year _____ Make _____
 Model _____
 Mileage _____ Price _____
 Condition _____ dealer or private sale ?

2. Year _____ Make _____
 Model _____
 Mileage _____ Price _____
 Condition _____ dealer or private sale ?

3. Year _____ Make _____
 Model _____
 Mileage _____ Price _____
 Condition _____ dealer or private sale ?

Part II

Google Kelley Blue book.
Look up each of your cars on Kelley.
You will need a lot of the information in part I to do this.
Find out the following information for each of your three cars:

1. Trade In Value (what's your vehicle worth?)

 Private sale value _____
 Dealer value _____

2. Trade In Value _____
 Private Sale value _____
 Dealer Value _____

3. Trade In Value _____
 Private sale value _____
 Dealer value _____

Compare each with the information you have and see how close the sale price is to Kelly's values.
Pick two you are still interested in (you can go back to auto trader and find other cars if you have lost interest in your 3 original picks.

- **Part III**
- Figure sales tax on the cars. The tax rate in Texas is 6.25%. Go to calculator.com and use their percent calculator.
- Tax Car 1 _____
- Tax car 2 _____
- Add an additional \$150 for title and license and come up with total costs for each car.
- Total Car 1 _____
- Total car 2 _____

- **Part IV**
- Google and find an automobile loan amortization calculator.
- bankrate.com is a recommended good source.
- A car less than 2 years old may be able to get a 6 year loan. A car 2-3 years may be able to get a five year loan.
- A car older than 3 years will probably max out at a 4 year loan.
- Interest rates depend on credit scores. Since you all probably don't have a credit score, use 7.5% interest on your calculations.
- For this exercise, you have no down payment.
- Determine how long a loan you will need on the two cars you have and what the monthly payment will be.

- The make an amortization table for the loans. Look at the amortization table and tell me what "amortization" means. _____
- How much interest will you pay over the life of the loan? _____

So, how much will the cars cost?

Car 1 _____

Car 2 _____

Play around with the calculator and see what happens to the payment if you have \$1000 saved and you make the down payment of \$1000.

Do you think you should:

1. Make the down payment or put the money in a fund for car repairs? _____
2. Lets say that at Christmas every year, you get gifts of \$\$\$ so that you could make one extra payment a year. Put that in the calculator and see how much sooner the car would be paid off and how much less interest you would pay.

3. Do you think it would be worth it. _____
4. Based on all the information above, pick the car you have narrowed your research down to and tell me which it is. _____
5. I will be picking some projects at random to show to the class so don't embarrass yourself by faking information.

Name _____

Class period _____