

**NAME:**

**Part 1 Buy a Used Car**

**You have saved up \$3000** and you are ready to go and buy a used car. You will need to pay for the car, tax, any documentation fees (between \$200 and \$500) and insurance.

Let's assume for this exercise you are paying the asking price and tax.

Look up autotrader.ca or another used car vendor.

Choose a car with price between \$5000 and \$15000.

Make:	Model:
Year:	kms:
Price before tax:	Price after 12% tax:

Copy and paste a picture here:

Amount of money you need to borrow:  
 Calculate: Price of car + Tax - \$3000 =3550

**Payment Options**

Use the TVM Advanced Calculator at 7% interest per year compounded daily. Calculate monthly payments, total payment and interest when you pay the car off in:

# Years	# months	Monthly payment	Total paid	Interest
3	36	109.61	$109.61 \times 36 = 3945.96$	$3945.96 - 3550 = 395.96$
4	48			
5	60			

**Part 2: Buy A Dream Car (with no money down)**

Choose a 2020 car from any manufacturer. Look for any deals. For example, on [Jim Pattison Toyota Victoria](#), click on the red 2.99% link on the right to see the offers on interest rates.

Make:	Model:
Price before tax:	Price after tax:

Copy and paste a picture here:

Amount of money you need to borrow:

Calculate: Price of car + Tax + Documentation Fees =

**Payment Options**

Use the TVM Advanced Calculator and the interest advertised on the website. Calculate the following:

# Years	# months	% Interest	Monthly payment	Total paid	Interest paid (\$)
3	36				
4	48				
5	60				

**Part 3: Lease a Car**

What's the difference between leasing and buying a car? [Read here](#), or do your own research.

What does it mean to lease rather than to buy? Explain how leasing works in three sentences.

1.
2.
3.

Compare leasing v buying a [Volkswagen Tiguan on this link](#).

All of the information is on the website at the link above. This is a 'read and interpret' exercise.

**Price of car: \$31780**

**Financed over 60 months (5 years)**

Payment per month:	Total payment after 60 months:	Total interest paid:
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After 60 months, you own the car - it is a financial asset to you.

**Lease for 60 months (5 years), 16000km max per year.**

Payment per week:	Total payment after 5 years:
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At an agreement of 16000km per year max, you are paying for 56% of the price of the car.  
56% of \$31780 =

Total you paid is:

Interest =

After 60 months, you return the car. You can then start another lease with another car.