

### Part III

This section contains eight extension activities.

#### **Required number of Extension Activities:**

##### **Academic:**

Individual – 4  
w/ Partner – 6

##### **Honors:**

Individual – 6  
w/ Partner – 8

**NOTE: THIS PART OF THE ASSIGNMENT HAS NOT BEEN PRINTED! YOU MUST GO TO THE WEBSITE TO GET THIS SECTION OF THE ASSIGNMENT!**

1. Create a food budget.
2. Research how credit cards work and fill out a sample application.
3. Track investments in the stock market for ten days.
4. Life happens! From the sheet, pick three unexpected costs and research the cost to remedy each problem.
5. Research homes that fit within specific parameters.
6. Plan a vacation.
7. Create a brochure about basic economic information.
8. Complete a federal tax return for a scenario provided.



### Part III (Extension Activity 2: Credit Cards)

Use the URL to answer the following questions on how credit cards work. You will need to read pages 1-11 of the website to fully complete all the questions. Make sure that you use complete sentences. Once you have read and answered the questions fill out the sample application.

<http://money.howstuffworks.com/personal-finance/debt-management/credit-card.htm>

1. When did the credit card originate? What were some of the reasons for their early use?
2. What do the credit card numbers mean? (Give a quick summary)
3. What is the difference between the generic magstripe cards and the new Smart Cards?
4. Out of the eight tips for credit card security the site provides, which do you believe to be the top two? Explain.
5. Explain the differences between the different types of APR's; the fixed rate, the variable rate, and the introductory rate.
6. What does it mean to have a good/poor credit rating? What are the three main types of credit cards? Make sure to explain them.
7. What are the advantages and disadvantages of fixed-rate plans and variable-rate plans?
8. Why is it important to try and pay off your balance completely each month on a credit card?
9. What are the steps to follow if you notice a billing error on your credit card statement?
10. Summarize the tips of how to get rid of debt and even stay out of debt.

# Catamount Bank & Trust

Credit Card Application

Date \_\_\_/\_\_\_/\_\_\_

Name: Last \_\_\_\_\_ MI \_\_\_\_\_ First \_\_\_\_\_

Social Security Number: [REDACTED] - [REDACTED] - [REDACTED] Date of Birth: \_\_\_/\_\_\_/\_\_\_ Home Phone Number: \_\_\_ - \_\_\_ - \_\_\_

Address:

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Secondary Phone Number (if applicable): \_\_\_ - \_\_\_ - \_\_\_

E-mail address: \_\_\_\_\_

Do you rent or own your home? \_\_\_\_\_ Rent \_\_\_\_\_ Own

What is your monthly rent/mortgage payment? \$ \_\_\_\_\_/per month

Are you currently employed? \_\_\_\_\_ Yes \_\_\_\_\_ No

If you are employed, where are you currently employed? \_\_\_\_\_

Which category best describes your occupation? \_\_\_\_\_ Public/Government Employee \_\_\_\_\_ Private Employee \_\_\_\_\_ Other

If Other, please explain: \_\_\_\_\_

Employer Phone Number: \_\_\_ - \_\_\_ - \_\_\_

Total Annual Income: \$ \_\_\_\_\_/per year

Signature \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_

## -----OFFICE USE ONLY-----

\_\_\_\_\_ Approved \_\_\_\_\_ Unapproved Account Number: # \_\_\_\_\_

Credit Limit: \$ \_\_\_\_\_

Credit Card Nameholder (As it appears on the card): \_\_\_\_\_

Credit Card Number: \_\_\_\_\_

Annual Percentage Rate (APR): \_\_\_\_\_%



### **Part III (Extension Activity 4: Life Happens! Unexpected Costs)**

#### Unexpected Costs!

Choose three of the following five scenarios, and research the cost to remedy the problem. Provide a total dollar amount for each chosen scenario. You may contact local businesses or do the research online, but you must provide adequate information to allow your instructor to “fact check” your source if they choose to do so. (i.e. a website/address, phone numbers/name of business, etc...):

-The motherboard on your 2007 Dell Inspiron 531 desktop computer has gone bad. You will need to get a new motherboard, and have it installed by a qualified repair facility.

-The radiator on your 2010 Honda Civic was punctured in five places by road debris, and is now leaking coolant. You need to get it replaced by an authorized dealer.

-You learn that your sister is getting married. You will need to fly from Raleigh-Durham International Airport to O’Hare Airport in Chicago (and back). Your departure date is June 17<sup>th</sup>, 2015, and your return date is June 19<sup>th</sup>, 2015. You will also need to purchase a wedding gift.

-Your grandparents’ 50<sup>th</sup> wedding anniversary is next week, and your family has decided to go out to a nice dinner with them. As the sole grandchild living near Raleigh, you have been given the final say on where to go: the options are a.) The Angus Barn in Raleigh, or b.) Fearington House in Chapel Hill. Once you select a restaurant, you must decide what you’re going to order for dinner while you’re there. Provide the total cost for your dinner, including 15% gratuity. After doing so, add in an additional \$8, since you’re all splitting the cost for your grandparents’ meals.

-You come down with the flu. You decide not to go to the doctor, but you have to go to the store to purchase the following: two boxes of Kleenex, a bottle of Nyquil/nighttime flu medicine, a “daytime” cold/flu medicine, and a bottle of orange juice (for the vitamin C!). Provide the total bill, including 7% sales tax. (Be sure you can cite your source for the prices!)

### Part III (Extension Activity 5: Housing)

Using the websites found below, locate housing options which fall within the described requirements. Once you find an acceptable option that meets the standards, provide the following information:

- A. Monthly rent OR total cost
- B. Location (Address/City/Zip)
- C. Description – details of dwelling (how many floors, square footage, number of bedrooms/bathrooms, features and/or amenities.)

<http://www.fmrealty.com/>

<http://www.apartmentfinder.com/North-Carolina>

1. Apartment within 50 miles of downtown Raleigh. Must be less than \$650/month.
2. Apartment within 5 miles of downtown Raleigh. Must be less than \$1,100/month.
3. House within 30 miles of downtown Raleigh. Must cost less than \$175,000. (Townhouses or condominiums are acceptable, too.)
4. House within 10 miles of downtown Raleigh. Must cost less than \$290,000.

Upon completion, you must draft a brief reflection explaining the how different factors have an impact on housing values, and what kind of compromises must be considered when looking for a place to live.

### **Part III (Extension Activity 6: Plan a vacation)**

*Disneyworld? Europe? San Francisco? Chicago? Canada? Cancun? Tokyo? India? Miami? Dallas? Brazil?*

You are to plan a vacation to a destination of your choice. If you have a family, they must come along. You will design a budget for your trip to determine if your current lifestyle allows for a family vacation this year.

**Step 1:** Choose a place that you'd like to visit for one week this summer. (March 25<sup>th</sup> through April 1<sup>st</sup>, 2015)

**Step 2:** Research the following expenses for that particular destination

- Transportation (to/from your location)
- Food estimate (breakfast, lunch, and dinner each day)
- Lodging per night
- Activities while you are there (excursions, museums, tours, etc...)

**Step 3:** Design your vacation as you wish, including the above elements. Create a budget sheet for the items and determine if this vacation is possible given your current circumstances. Be sure to cite your sources for any prices you provide.

**Step 4:** Answer the following questions

1. Given the budget you created earlier in the project, would this vacation be possible?
2. What was the most expensive part of the trip? Least expensive?
3. How could you adjust the vacation to meet your budget restraints? Be specific.

### Part III (Extension Activity 7: Brochure)

Your task is to create a tri-fold brochure outlining the basic economic information a student might need when preparing to study this subject. Your brochure should include all of the following:

#### Cover Page

- Title “How to Speak Economics”
- By (insert your name)

#### Page 1 (inside of the cover page)

- Define economics.
- What is the fundamental economic problem?
- Include one hand-crafted color illustration.

#### Page 2 (across from Page 1)

- Using a quadrant format:
  - Define each of the Four Factors of Production.
  - Include one hand-crafted color illustration as an example for each factor.
  - In the center of your quadrant, create a box or circle and define the Four Factors of Production

#### Pages 3 & 4 (across from Page 1 after opening the tri-fold brochure fully)

- Create a graph that illustrates:
  - A demand curve
  - A supply curve
  - The equilibrium price (with a definition)
  - Scarcity (with a definition)
  - Surplus (with a definition)
- Include definitions for:
  - The law of demand
  - Demand elasticity/inelasticity (with examples)
  - The law of supply
  - Supply elasticity/inelasticity (with examples)

#### Page 5 (the back page of your tri-fold brochure)

- Create a “cheat sheet” of some common economic terms. Include 10 of the following 15:
  - Capitalism
  - Free enterprise
  - Profit
  - Discretionary income
  - Disposable income
  - Interest
  - Labor union
  - Collective bargaining
  - Monopoly
  - GDP
  - Inflation
  - Tariff
  - Free trade
  - Command economy
  - Mixed economy

**Part III (Extension Activity 8: Federal Tax Return)**

This is taken from [http://taxes.state.mn.us/individ/pages/education\\_tax\\_activities\\_1040ez\\_example.aspx](http://taxes.state.mn.us/individ/pages/education_tax_activities_1040ez_example.aspx). You may go to the website for more information but do not have to. Complete a tax return for a student in the following scenario:

*Johnathon Jackson was born June 4, 1992, and he is a full-time high school student. He has a part-time job working at the local grocery store each day after school. Last year Johnathon earned \$1,525. He has been saving all of his earnings to take a ski trip during spring break. He is filing an early tax return, and he is having his refund deposited directly in his bank account in order to receive it as quickly as possible. His savings account number is 111111111 and the bank routing number is 78787878. His federal withholding was \$200 and state withholding was \$70. His parents claim him as a dependent on their federal tax return.*

Use Johnathon's W2 form below to help you fill out his tax return. The 1040EZ tax return can be found at <http://www.irs.gov/pub/irs-pdf/f1040ez.pdf>. Instructions on how to fill out the form can be found at <http://www.irs.gov/pub/irs-pdf/i1040ez.pdf>.

a Employee's social security number <b>600-00-0001</b>		OMB No. 1545-0008		Safe, accurate, FAST! Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .	
b Employer identification number (EIN) <b>41-0000010</b>			1 Wages, tips, other compensation <b>\$1,525</b>		2 Federal income tax withheld <b>\$200</b>		
c Employer's name, address, and ZIP code  <b>Grocery Store 111 Celery Lane Minneapolis, MN 55411</b>			3 Social security wages <b>\$1,525</b>		4 Social security tax withheld <b>\$94.55</b>		
			5 Medicare wages and tips <b>\$1,525</b>		6 Medicare tax withheld <b>\$22</b>		
			7 Social security tips		8 Allocated tips		
d Control number			9 Advance EIC payment		10 Dependent care benefits		
e Employee's first name and initial <b>Johnathon Jackson</b>		Last name <b>11 Maple Lane</b>		Suff. <b>Anytown, MN 55146</b>		11 Nonqualified plans	
f Employee's address and ZIP code		13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		14 Other		12a See instructions for box 12	
						12b	
						12c	
12d		15 State		Employer's state ID number		16 State wages, tips, etc.	
MN		5455544		\$1,525		17 State income tax	
				\$70		18 Local wages, tips, etc.	
						19 Local income tax	
						20 Locality name	

Form **W-2** Wage and Tax Statement

**2009**

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
This information is being furnished to the Internal Revenue Service.