



Borrowing Money

Suggested Responses

Comprehension Questions

1. Borrowing money means sourcing money from a financial institution or other lender with the intention of repaying it. Loans and credit cards are the most common forms of borrowing. The borrower is obliged to make repayments to the lender and is charged interest over and above the total amount borrowed.
2. b) higher than those charged for loans
3. a) disadvantage, b) advantage, c) advantage, d) disadvantage, e) disadvantage
f) advantage, g) disadvantage, h) advantage
4. a) overdrafts, b) housing loans, c) personal or business loans, d) credit cards
5. c) real estate agents

Plastic Fantastic – answers will vary

Note: Question 3 relates to interest-free periods offered by banks on credit card repayments. The number of interest-free days quoted generally refers to days within the credit card statement cycle. For example: 'up to 55 days' means that the full period applies on the first day of the statement cycle, so someone purchasing an item with their credit card on the 30th day of the cycle only has a 25 day interest-free period on the money borrowed for the purchase.

Real World Borrowing Experience – answers will vary
Transcript – for teacher and student use

