



# MAKE MONEY MAKE SENSE



## Borrowing Lesson plan 2 Key stage 4

Teaching aims of the session	Possible teaching activity	Learning outcomes
<p>To explain the concept of borrowing money.</p> <p>To explain the different ways of borrowing money.</p> <p>To explain the different costs of borrowing money.</p> <p>To encourage students to shop around for the best deals.</p>	<p>Summary of the previous lesson- <b>Look at how borrowing money works in various forms.</b> <i>Brainstorm, class work or pair work</i></p> <p><b><u>Charge Cards</u></b> What is a charge card? The difference between a charge card and a credit card is that the amount borrowed on a charge card must be repaid in full at the end of a given period, usually a month. Interest is not charged on the amount but you may have to pay an annual fee for the card. <i>Brainstorm, class work or pair work</i></p> <p><b><u>Credit agreements</u></b> What is a credit sale? Under a credit sale, you buy the goods at the cash price. You usually have to pay interest but some lenders offer interest-free credit. <i>Brainstorm, class work or pair work</i></p> <p><b>Discuss interest free credit? What is it? What are the advantages and disadvantages?</b> <i>Brainstorm, class work or pair work</i></p> <p><b>Suggested materials</b> Use the example in the PowerPoint presentation.</p>	<p>Students will be able to recognise the different methods of borrowing.</p> <p>Students will be able to recognise the importance of shopping around for the best deals.</p> <p>Students will understand their responsibilities and consequences when borrowing money.</p>



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## **Store Cards**

What is a store card? Store cards are the cards that many major retailers offer their customers as a convenient way of buying goods in their stores, often with incentives attached such as special discounts and privileges. *Brainstorm, class work or pair work*

## **Suggested handouts**

Store card tips  
Card comparison

Use the card comparison table to discuss the different cards and ways of borrowing money. *Pair work*

## **Hire purchase**

What is hire purchase? Under a hire purchase (HP) agreement, you hire goods until you pay the final instalment. You will not own the goods until then. *Brainstorm, class work or pair work*

## **Suggested handouts**

Hire purchase advantages and disadvantages table

## **Mail order**

What is mail order shopping? Mail order shopping is usually arranged through a catalogue and is normally interest free, the customer paying only the price of the purchase in instalments. *Brainstorm, class work or pair work*

## **Suggested handouts**

Mail order advantages and disadvantages table



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**Other methods of sale**  
**Discuss briefly other methods of borrowing:**  
Doorstep sellers  
Credit unions  
Pawnbrokers  
Loan sharks  
Consolidation loans  
Mortgages