** Buying A Car**

Now that Jennifer is working full time, she would really like to buy a car. She is unsure if she would like a new or used car. She does not want to spend more than $20 000 on a car. Ideally, she would really like to buy a SUV or a pickup truck but she knows that if she buys new those types of cars are out of her price range.

She has $1 000 saved for her down payment and her parents are giving her $500 as a graduation gift

Complete the charts below and advise Jennifer on what she should do.

**Part 1: New Car**

You will compare financing versus leasing the NEW vehicle. Many of the answers to these questions can be found by using the websites of the company who makes the car.

1. Go to the Toyota website: [www.toyota.ca](http://www.toyota.ca/) Choose a **NEW** car that you would like to purchase. It should be either a 2016 or a 2017 model vehicle.

|  |  |  |
| --- | --- | --- |
| **Make / Model of Vehicle** |  |  |
|  |  |  |
| **Questions** | **Finance / Cash** | **Lease** |
| What is the MRSP? |  |  |
|  |  |  |
| What is the cost of the |  |  |
| options? |  |  |
|  |  |  |
| Freight & Delivery |  |  |
|  |  |  |
| Less Down Payment (or |  |  |
| trade-in) |  |  |
|  |  |  |
| HST (15%) |  |  |
|  |  |  |
| Cash Price |  |  |
|  |  |  |

|  |  |  |
| --- | --- | --- |
| **Questions** | **Finance / Cash** | **Lease** |

Total for finance / lease

# of months & what %

Monthly payment

Residual Value

Total Cost of the vehicle

(# of years \* 12 \* monthly

payment + Down payment)

What happens to the price

of the vehicle if the term is

decreased to 48 months?

How many km can you

drive annually?

What is the size of the gas

tank?

What is the fuel

consumption (L/100 km)?

City

Highway

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**Part 2: Used Car**

1. Go to either [www.autotrader.ca](http://www.autotrader.ca/) OR [www.novascotia.kijiji.ca](http://www.kitchener.kijiji.ca/) to find a USED car that is similar to what you chose for new car. This car should be a 2012 or **older**.

A **calculator** for Finance and Lease payments can be found using these steps:

1. Go to [www.cars.com](http://www.cars.com/)
2. Click on “Finance”.
3. Under the heading “More Calculators”, click on “Auto Loan Calculator”. [www.cars.com](http://www.cars.com/) (for the finance calculator)

Now find a used car that is similar to the new one and fill in the information below.

**Make / Model of Vehicle**

**Questions**

What is the cost of the

vehicle?

How old is the vehicle?

What options does it have?

Subtotal of vehicle

**Less** Down Payment

HST (13%)

Total for finance

What would be the monthly

payment if you take a 4

year car loan?

What would be the total

price of the car?

(# of years \* 12\* monthly

payment + Down payment)

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**Part 3: Recommendation**

Advise Jennifer on what she should do (buy new, lease, buy used) Why?? (Use full sentences and give **at least** 2 reasons)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Category** | **I/R** | **Level 1** | **Level 2** | **Level 3** | **Level 4** |  |
| **COMMUNICATION** |  | Communicates with | Communicates with | Communicates with | Communicates with a |  |
|  | limited clarity and limited | some clarity and some | considerable clarity and | high degree of clarity |  |
|  |  | justification of reasoning | justification of reasoning | considerable justification | and full justification of |  |
|  |  |  |  | of reasoning | reasoning |  |
| **TIPS** |  | Makes simple | Makes moderately | Makes mathematical | Makes complex |  |
|  | mathematical arguments | complex mathematical | arguments of | mathematical |  |
|  |  | supporting | arguments supporting | considerable complexity | arguments, that support |  |
|  |  | recommendations | recommendations | that support | recommendations |  |
|  |  |  |  | recommendations |  |  |

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