

## Testing Your Credit Knowledge

This activity helps test your understanding about why credit scores matter, how credit cards work, and why credit is important for everything in life from purchasing a car or home, to applying to your first job! Show what you know and complete the sections below.

### Part 1: A Little True, False & Multiple Choice

Answer the first five questions by circling TRUE or FALSE for each statement. Then for questions 6 through 9, circle the correct answer.

1. A proprietary credit card is usually accepted by one type of store or company. TRUE    FALSE
2. The average daily balance method of calculating interest is based on the opening balance of the account for the previous month. TRUE    FALSE
3. The annual fee for a credit card is set by the government. TRUE    FALSE
4. APR measures the interest rate charged by a credit card. TRUE    FALSE
5. If someone uses your lost or stolen credit card, you are liable for no more than \$50. TRUE    FALSE
6. A credit card issued through a credit union would be an example of what type of card?
  - A. Bank
  - B. Travel & Entertainment
  - C. Store
  - D. Proprietary
7. The grace period of a credit card or other loan program refers to the time:
  - A. Taken to process a credit card application
  - B. For paying an account without an interest charge
  - C. Allowed to notify a creditor of a billing error
  - D. Used for calculating interest
  - E. All of the above
8. Comparing the APR among several different credit cards allows to obtain:
  - A. Lowest Grace Period
  - B. Lowest Annual Fee
  - C. Lowest Interest Rate
  - D. Least Expensive Method of Calculating Interest
9. If an error occurs on a credit statement, how long do you have to notify the creditor?
  - A. 30 Days
  - B. 60 Days
  - C. 90 Days
  - D. 120 Days