

Taking Out A Credit Card

Discussion

Last day I visited my science teacher and we drank some alcohol. - past tense, so be careful.

Is this really healthy?

It's not healthy.

Do you work today?

Yes, today is my working day.

When do you start working today?

I start working at 9:30.

nine thirty half past nine

** Tip about hours: o'clock is only used for sharp hours(x:00) **

9:00 nine o'clock

If there are zero minutes, if the minute hand of a clock is on position 12, you can say "o'clock" otherwise, you cannot.

Do you have any bank cards?

I have a lot of credit cards, but I never used it. Because I forget to pay back the debt.

Not all bank cards are credit cards.

We also have debit cards.

What is the difference between debit and credit bank cards?

A credit card can borrow money from bank a debit card is used to access money on our own accounts.

When you buy something with a credit card you don't pay with your money, you pay with banks money.

What is the disadvantage of using a credit card?

Disadvantage is the interest rate that you need to pay on borrowed money and yearly of monthly fee for the card.

It seems like a waste if you have many credit cards that you don't use.

It hurt you a little bit financially.

You don't need to pay fees?

I didn't activate any cards, so I don't need to pay any fees.

Banks are forcing employees to give our more credit cards.

I have received a credit card via mail. They sent me a "gift card".

I think it's very hard to pay it back.

We could withdraw cash from a credit card.

Sometimes limit on the credit card can be big.

You still have to return everything.

What is the interest rate?

It's about 2%.

It's lower compared to regular loan.

If it's a long term loan, banks have to compensate for inflation.

You take 1 million from the bank.

There is 2-3 % inflation was an average inflation rate before this crisis.

1 000 000

20 000 - money that bank gave in the first year lost 20 000 of its value.

If the loan is 20 years long, how much do you think the value of money will drop?

It could be about 30%. Banks offer long term loans with high interest rate to compensate for the inflation.

Credit Card debt is expected to be returned within a year.

They need to increase the interest rate. That means that will borrow less money.

Can this affect economy negatively?

Do you know how the institution that regulates money in the USA is called?

FED is the institution that is responsible for money regulations.

FED is privately owned organisation.

How can that help?

China and Russia don't like dollar. People don't believe in dollar anymore, because the USA has such a huge national debt, and they print money like crazy.

I remember, I made a big purchase. What did you buy?

I used a credit card to buy a car.

You had such a big limit on your card?

Yes, I had 60 000 RMB limit on the card. I needed to make 40 000 RMB down payment.

The car was 100 000 RMB?

Yes, it was.

I got only 2000 EUR limit on my card.

What do you think about cash?

Cash is tangible. This quality helps understand spending better.

When paying with cards or phone you might not realize how much you spend.

Grammar

Basic structure of a sentence

Subject + verb + object(optional - doesn't have to exist).

Subject and object are always nouns. Subject is something or someone that does something, is in a particular state.

e.g. My father is working. (My father - subject)

e.g. The car is fast. (The car - subject)

e.g I see beautiful woman.(I - subject, woman - object) Object is a noun that suffers an action from subject.

I see you.(I - subject, you - object)

She likes to read books. (She -subject, books - object).

Vocabulary

New Words

1. assesment(noun)
2. balance(noun)
3. credit rating(noun)
4. interest(noun)
5. promotion(noun)
6. withdraw(verb)

Useful Words

1. tangible(adj.):existing in physical world, something can be touched.
2. compensate(verb):to do something in order to return the value of a damange that was caused.
3. inflation(noun):the state in economy when money it's losing its value.
4. withdraw(verb)
5. withdrawal(noun)

Pronunciation

The

Before a vowel sound (a,e,i,o,u) prounce /thi/ not /th/ the/thi/ action

the/thi/ ice

the/thi/ air