

Buying a Car

This week and weekend you will be fictitiously buying a car. You should pick a car you think you'd realistically be purchasing if you were starting out in a career.

In doing so, you will identify the approximate insurance and maintenance costs per year, approximate cost and monthly payments based on what you find in research, cost of gas over the course of a year, and the 'actual cost' of the car based on a 5 year loan at a 4.5% APR. Cost/interest calculations can all be done online...but you must record the information the cost calculator gives you.

- * What car is it (year, make, model)
- * Cost of car (based on at least 3 examples to find the average)
- * Based on a 5 year loan at 4.5% APR, how much will it actually cost you
- * What would the approximate monthly payments be (based on actual cost)
- * Find a quote for insurance for this car over the course of a year
- * Find the average annual cost of maintenance for this car
- * Find the average gas mileage (per gallon) for the car
- * Based on gas cost at \$3.35/gallon, how much would you pay each year for gas if you drove 12,000 mi/yr: $\text{annual cost} = 3.35(12,000)/\text{mpg}$
- * Over the course of the 5 year loan, based on all the numbers above - how much will you have paid for your car? (insurance, gas, payments, maintenance)
- * Based on everything above - is the car worth it to you? What factors do you consider when making this decision? What about any additional features/options for the car?
- * Then ask your parents/grandparents/guardians what their first car was when they were your age...and then what their first car was that they got when they were settling into their early career/jobs - and how much they think they spent on it from what they can remember...include that in your report of info.

Type it all up in 1-2 paragraphs...we will share this with the class and turn it in Monday.