

Assignment 6: 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 Choose a **NEW** car that you would like to purchase. It should be either a 2010 or a 2011 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 (13%)		
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		

Part 2: Used Car

1. Go to either www.autotrader.ca OR www.kitchener.kijiji.ca to find a USED car that is similar to what you chose for new car. This car should be a 2008 or **older**.

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

1. Go to www.cars.com
2. Click on "Finance".
3. Under the heading "More Calculators", click on "Auto Loan Calculator".
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)	

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 limited clarity and limited justification of reasoning	Communicates with some clarity and some justification of reasoning	Communicates with considerable clarity and considerable justification of reasoning	Communicates with a high degree of clarity and full justification of reasoning
TIPS		Makes simple mathematical arguments supporting recommendations	Makes moderately complex mathematical arguments supporting recommendations	Makes mathematical arguments of considerable complexity that support recommendations	Makes complex mathematical arguments, that support recommendations