**Chapter Notes – Types and Sources of Credit**

Read the second section, Types and Sources of Credit ((pages 473-479), in your textbook, and answer the following questions:

1. How are payments determined on bank-issued credit cards? How is interest calculated?
2. List the five advantages of credit cards over other forms of credit.
3. For a business, what are the costs associated with accepting credit cards?
4. Briefly describe travel and entertainment cards.
5. Why would a retailer offer its own credit card? What are the drawbacks of doing so?
6. Explain how installment sales credit works. Who would use this type of credit?
7. Explain why consumers and businesses would want to take out loans.
8. Briefly describe the five types of loans.

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| **Type of Loan** | **Description** |
| Term Loan |  |
| Lease |  |
| Demand Loan |  |
| Student Loan |  |
| Mortgage Loan |  |