Score Smart Spending

Track credit use, payments, and buying power.

HIGH SCHOOL · MA.912.FL.3.10

MA.912.FL.3.10 "Analyze credit scores qualitatively. Explain how short-term and long-term purchases, including deferred payments, may increase or decrease credit scores. Explain how credit scores influence buying power."

NAME ______________________ DATE ______________

PART 1: CREDIT USE

Credit use is balance / credit limit x 100. Lower credit use and on-time payments usually support a stronger score, while high balances or missed payments can hurt it. A stronger score can increase buying power through better rates or larger limits.

WORKED EXAMPLE

A card has a $720 limit and a $180 balance. Find its credit use.

1. Credit use = balance / limit x 100
2. = 180 / 720 x 100
3. = 25%

Answer: 25%

PRACTICE

5 problems

1. A card has a $500 limit and a $100 balance. What is its credit use?

ANSWER ______________________

2. A card has a $750 limit and a $225 balance. What is its credit use?

ANSWER ______________________

3. A card has a $900 limit and a $360 balance. How much buying power remains?

ANSWER ______________________

4. A $240 deferred-payment purchase is added to a card with an $800 limit and a $160 balance. What is the credit use right after the purchase?

ANSWER ______________________

5. Jada can pay a $300 purchase now or defer it for 3 months. Both choices are reported on her card. Which choice is more likely to keep her credit use lower during those months?

ANSWER ______________________

APPLY IT Show your work

1 Part 2, 1. Nia charges a $480 phone to a card with a $1,200 limit and a $120 balance. She pays $120 at the end of each of the next 4 months. Find (a) credit use and buying power right after the charge and (b) credit use after her second payment. Why is this better for her score than missing payments?

WORK SPACE

ANSWER ____________________

2 Part 2, 2. Marcus buys a $600 laptop on a deferred-payment card with a $1,000 limit and no balance. He pays no fee if he pays all $600 within 5 months, otherwise a $60 fee is added. He pays $120 each month. Find credit use right after the charge and after 4 payments. Will he avoid the fee? What is his buying power after 4 payments?

WORK SPACE

ANSWER ____________________

CHALLENGE One step up

CHALLENGE

Part 3. A student has a card with a $1,000 limit and a $200 balance. They make a $400 purchase. Plan A pays $100 each month for 4 months. Plan B defers all payments for 4 months. Both purchases are reported immediately. What is the credit use after 2 months for each plan? Which plan is more likely to support the score then, and why?

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PART 1 · PRACTICE

#	PROBLEM	ANSWER
1	1. A card has a $500 limit and a $100 balance. What is its credit use?	**20%**
2	2. A card has a $750 limit and a $225 balance. What is its credit use?	**30%**
3	3. A card has a $900 limit and a $360 balance. How much buying power remains?	**$540**
4	4. A $240 deferred-payment purchase is added to a card with an $800 limit and a $160 balance. What is the credit use right after the purchase?	**50%**
5	5. Jada can pay a $300 purchase now or defer it for 3 months. Both choices are reported on her card. Which choice is more likely to keep her credit use lower during those months?	**Pay now, because deferring leaves the $300 as reported debt.**

PART 2 · APPLY IT

1. **(a) 50% credit use and $600 buying power. (b) 30% credit use. On-time payments lower the balance and avoid missed-payment harm.** The charge raises Nia's balance to $600, so $600 / $1,200 = 50%. After two payments, her balance is $360, and $360 / $1,200 = 30%.
2. **60% at first, then 12% after 4 payments. Yes, he avoids the fee. His buying power is $880.** After four payments, Marcus has paid $480 and still owes $120. His credit use is $120 / $1,000 = 12%, and his fifth $120 payment finishes before the deadline.

CHALLENGE

Plan A: 40%. Plan B: 60%. Plan A is more likely to support the score because on-time payments reduce the reported balance sooner.

Accept equivalent forms such as 1/2 or 0.50 for 50%. For explanations, accept statements that timely payments and lower reported balances generally help, while high deferred balances or missed payments can hurt.