Beyond the Price Tag

Compare full costs before making a major purchase

9-12.EC.18 "Demonstrate how to use comparison shopping skills to make purchasing decisions, including major purchases and college education."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline the costs you would add, circle the grants you would subtract, and write 1 beside the lower estimated total in each pair of offers.

Maya Compares Her Options

1. A posted price is only a starting point for comparison shopping. Before choosing a costly item or a college, decide which features you need and which costs you can compare. Put offers on the same time scale, such as first-year costs or four years of school. Add required fees and likely expenses, then subtract discounts or grants that do not have to be repaid. A loan is not a discount, since borrowed money must be paid back, often with interest. Estimates can change, so record what each number assumes and check whether nonprice benefits matter to you.

2. Maya needs a reliable car to reach her part-time job. Two dealers offer the same model year and similar mileage, and an independent mechanic has inspected both. Dealer Pine asks $15,000 plus a $600 required dealer fee; the mechanic estimates $1,800 in first-year repairs. Dealer Harbor asks $15,800 plus a $200 required dealer fee; its estimated first-year repairs are $700. Sales tax, insurance, and fuel would be the same for either car, so Maya leaves them out of this comparison. Repair estimates are not promises: an unexpected breakdown could change what she actually spends.

3. Next, Maya compares two colleges that offer her intended major. At North College, annual tuition and required fees are $27,000, and her renewable grant is $11,000. Housing, books, and travel are estimated at $10,000 per year. At City College, tuition and fees are $22,000, her renewable grant is $5,000, and those additional expenses are estimated at $7,000. Both grants require her to meet academic conditions each year. North offers an internship network Maya values, but its future earnings are unknown. These figures assume prices and grants stay the same; neither college's loan offer reduces its actual cost.

2 ANSWER WITH EVIDENCE

Use the passage

1. Add the price and required dealer fee for each car. Which costs less before repairs?

2. Now include estimated first-year repairs. Which car has the lower estimated total, and by how much?

3. For each college, subtract the grant from tuition and fees, then add the other estimated expenses. Which has the lower annual cost, and by how much?

4. If Maya can spend no more than $25,000 per year, which college fits her budget on these estimates? Name one reason she should check the estimate before deciding.

3 YOUR TURN

Your own words

Invent two offers for a different major purchase, such as a laptop. Give a price and one additional cost for each offer, calculate both totals, then choose one and explain how a nonprice feature affects your decision.

ANSWER KEY

Beyond the Price Tag

HIGH SCHOOL · 9-12.EC.18

PART 1 · READ AND MARK

Underline the costs you would add, circle the grants you would subtract, and write 1 beside the lower estimated total in each pair of offers. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Add the price and required dealer fee for each car. Which costs less before repairs?	**Pine costs $15,600 before repairs, and Harbor costs $16,000. Pine costs $400 less.**
2	Now include estimated first-year repairs. Which car has the lower estimated total, and by how much?	**Pine totals $17,400, and Harbor totals $16,700. Harbor is lower by $700.**
3	For each college, subtract the grant from tuition and fees, then add the other estimated expenses. Which has the lower annual cost, and by how much?	**North costs $26,000 per year, and City costs $24,000. City is lower by $2,000 per year.**
4	If Maya can spend no more than $25,000 per year, which college fits her budget on these estimates? Name one reason she should check the estimate before deciding.	**City College fits at an estimated $24,000 per year. Maya should check whether she can meet the grant's academic conditions, since losing the grant would raise her cost.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Laptop A costs $850 plus $60 for required software, for a total of $910. Laptop B costs $780 plus $160 for required software, for a total of $940. I would choose A because it costs $30 less overall and has a longer warranty.

Accept any correctly calculated comparison that uses the costs stated in the passage. For the open task, accept invented offers if each includes a price, one additional cost, a correct total, and a decision that considers a nonprice feature.