

Smart Payment Choices

Compare payment choices by finding the final cost.

GRADE 5 • TEKS 5.10.C

5.10.C "identify the advantages and disadvantages of different methods of payment, including check, credit card, debit card, and electronic payments;"

NAME _____

DATE _____

FIND THE FINAL COST

A payment method can change what you pay because it may add a fee or give a discount. Add any fee to the price, or subtract any discount from the price. Then compare the final costs and think about whether you have enough money available or will need to pay later.

WORKED EXAMPLE

A \$37.00 book can be paid for with a debit card that has a \$1.20 service fee or with a check that has no fee. Which method costs less?

1. Debit total = $\$37.00 + \$1.20 = \$38.20$.
2. Check total = $\$37.00 + \$0.00 = \$37.00$.
3. \$37.00 is \$1.20 less than \$38.20.

Answer: A check costs less. It costs \$37.00, so it saves \$1.20.

PRACTICE 6 problems

- 1** A \$24.00 game pass costs a \$0.50 fee when paid by debit card. A check has no fee. Find both final costs. Which payment costs less?

ANSWER _____

- 2** Art supplies cost \$18.00. A credit card gives a \$2.00 discount, and an electronic payment adds a \$0.75 fee. Find both final costs. Which choice costs less?

ANSWER _____

- 3** You have \$40.00 in your checking account. You write a check for \$32.00. What is the new account balance?

ANSWER _____

- 4** A \$15.00 purchase made with a credit card will have a \$3.00 interest charge if it is not paid in full. A debit card has no fee. Find both final costs. Which method costs less?

ANSWER _____

- 5** An electronic payment for a \$27.00 music subscription has no fee and is sent right away. What is the final cost? Name one advantage of this payment method.

ANSWER _____

- 6** A \$45.00 purchase can be paid by debit card with no fee. Your debit account balance is \$39.00. Can you use the debit card? How much money are you short?

ANSWER _____

APPLY IT Show your work

1

A student orders a \$48.00 custom team shirt. Paying by check adds a \$1.50 mailing cost. An electronic payment adds a \$2.00 service fee. A credit card gives a \$3.00 coupon discount. Find the final cost for each method. Which method costs the least? Name one possible disadvantage of the lowest-cost method.

WORK SPACE

ANSWER _____

2

Jordan has \$50.00 in a debit account and wants to buy \$36.00 headphones. A debit card has no fee, a credit card has a \$2.00 fee, and an electronic payment has a \$1.00 fee. Which method has the lowest final cost? If Jordan uses the debit card, what will the account balance be? State one advantage and one disadvantage of using the debit card.

WORK SPACE

ANSWER _____

CHALLENGE One step up

You have \$31.00 in your debit account and want to buy a \$29.00 item. A debit card adds a \$0.50 fee. An electronic payment adds a \$1.75 fee. A credit card has no fee if you pay the bill in full on time. Which methods can you use with the money available right now? Which method has the lowest final cost? Give one advantage and one disadvantage of that method.

WORK SPACE AND ANSWER

PART 1 • PRACTICE

#	PROBLEM	ANSWER
1	A \$24.00 game pass costs a \$0.50 fee when paid by debit card. A check has no fee. Find both final costs. Which payment costs less?	Debit card: \$24.50. Check: \$24.00. The check costs \$0.50 less.
2	Art supplies cost \$18.00. A credit card gives a \$2.00 discount, and an electronic payment adds a \$0.75 fee. Find both final costs. Which choice costs less?	Credit card: \$16.00. Electronic payment: \$18.75. The credit card costs \$2.75 less.
3	You have \$40.00 in your checking account. You write a check for \$32.00. What is the new account balance?	\$8.00
4	A \$15.00 purchase made with a credit card will have a \$3.00 interest charge if it is not paid in full. A debit card has no fee. Find both final costs. Which method costs less?	Credit card: \$18.00. Debit card: \$15.00. The debit card costs \$3.00 less.
5	An electronic payment for a \$27.00 music subscription has no fee and is sent right away. What is the final cost? Name one advantage of this payment method.	The final cost is \$27.00. One advantage is that the payment is sent right away with no fee.
6	A \$45.00 purchase can be paid by debit card with no fee. Your debit account balance is \$39.00. Can you use the debit card? How much money are you short?	No. You are \$6.00 short.

PART 2 • APPLY IT

- 1. Check: \$49.50. Electronic payment: \$50.00. Credit card: \$45.00. The credit card costs the least. A possible disadvantage is that the money must be paid back later.** Add each fee to \$48.00, and subtract the credit card discount. Compare \$49.50, \$50.00, and \$45.00.
- 2. The debit card has the lowest final cost, \$36.00. The new account balance is \$14.00. An advantage is no fee. A disadvantage is that enough money must already be in the account.** The three totals are \$36.00, \$38.00, and \$37.00. Subtract \$36.00 from the \$50.00 account balance.

CHALLENGE

All three methods can be used. Debit card total: \$29.50. Electronic payment total: \$30.75. Credit card total: \$29.00. The credit card has the lowest final cost. An advantage is no fee. A disadvantage is that the bill must be paid later.

Accept money amounts written with or without a dollar sign when the value is correct. For advantage and disadvantage responses, accept equivalent accurate ideas, such as a credit card lets you pay later but creates a bill to repay.