Teacher Answer Key

Case Study

1. Jordan switched from debit to a store credit card, took on a $480 balance, and faced interest charges if he paid only the minimum; his low January checking balance showed that December choices reduced his future options.

2. Learning about interest and opportunity cost helped him see that holiday spending affected gas, savings, and experiences he valued later, so he created a New Year budget with clear categories before the next season.

Multiple Choice

1. A

2. C

3. B

Matching

1-B, 2-C, 3-A, 4-E, 5-D

Fill-in-the-Blank

1) interest, 2) incentives, 3) budget

Short Answer (Sample Responses)

Q1: Examples: doorbusters increase traffic and encourage extra purchases; gift cards pull spending forward and can generate breakage; free shipping minimums raise average order size; generous returns reduce risk and boost demand.

Q2: Students might mention opening the store card for a one-time discount or charging beyond his income; better choices include setting a spending limit, using cash or debit only, or planning gifts earlier so he doesn't rely on credit.

Q3: Accept rules like "save a set amount each month for holidays" or "set a total gift cap and track each purchase," with explanations that connect to scarcity, opportunity cost, avoiding high-interest debt, or maximizing long-term utility.