**Buying a Car**

You need to buy your first car! What kind of car should you get? How do you find a car? What factors should you consider? How should you pay?

Instructions:

Prepare a PowerPoint presentation with lots of pictures and charts which address the items below.

You will present your PowerPoint at a future class.

(100 points)

1. Brainstorm and research the pros and cons of different types of cars (smaller, larger, older, newer, trucks, hybrids, sports cars, vans, etc).
2. Narrow down your choices. Show pictures of several “potential” vehicles which meet your criteria. Identify the vehicles (make, model, and year), and briefly give pros and cons.
3. Prices: Go on Craigslist.com or AutoTrader.com (or other car shopping site) and find prices – or price ranges - on the vehicles in #2 above.
4. Finally, choose one vehicle from your research which seems to meet your criteria (gas mileage, size of vehicle, price, etc). Show pictures of this “ideal” vehicle.
5. See if you can find information on this make & model’s safety rating (crash test rating) and maintenance rating. Consumer Reports and the National Highway Traffic Safety Administration are two resources for this, but there are many others. Include this information in your PowerPoint.
6. Research and report on any other information you would like to share about your potential vehicle.

Economic analysis – Include this near the end of your PowerPoint presentation.

1. What is your chosen vehicle’s purchase price including the sales tax? (out-the-door price). You will need to look up your sales tax rate.
2. Use an online payment calculator to compare a 3-year versus 5-year auto loan. Assume $0 down payment, and use 6% interest rate.

a. What is the “total of payments” for each loan (3-yr versus 5-yr)

b. How much interest do you end up paying on each loan when all is said and done?