



New Wheels

The Set Up:

Byron Haines wants to buy his first car. Of course Byron wants to use the car to drive to and from school; however, he will also be able to drive to and from his part time job. He may even be able to help his mom by taking his younger brother to and from baseball practice and games this summer.

Byron has saved \$3,500. He knows what he wants to buy—a sports car! His uncle who knows a lot about cars suggested that he look on the web at several used car sites and at the Kelly Bluebook site, too. Byron did that, and was a bit surprised by what he found. He can probably buy a sports car for \$3,500—but it will be a 1995 or earlier model and it is likely to have a lot of miles. Cars built after 1995 that have lower mileage and fit his budget are cars like the Ford Taurus and the Chevrolet Malibu—not quite as appealing as a sports car. Never the less, Byron is considering buying one of those cars. The Kelly Bluebook site even provides a list of cars for sale near his home that fit his \$3,500 budget. Byron talked with his mom and his uncle about going to see some of these cars. His uncle reminded him that there are some other things he must consider.

State sales tax on a car that costs \$3,500 will be 6% or \$210. It will cost \$38.50 for the license. Byron will also have to pay automobile insurance—it's a state law—he must have auto insurance. His uncle suggests that Byron get some quotes for automobile insurance on the models in which he is interested.



The Investigation:

Here's what Byron has learned so far about vehicles available in his area:

Byron's insurance for any one of these cars will be approximately \$250 per month for six months.

What other factors should Byron consider before making this decision?
Where can he get information to help him?

Chevrolet Cavalier 1996 87,000 miles 4-cylinder automatic \$2,710	Chevrolet Malibu 1997 84,000 4-cylinder automatic \$3,600	Hyundai Accent 1998 81,000 4-cylinder 5 speed \$3,405
Ford Aspire 1995 90,000 4-cylinder 5 speed \$2,100	Ford Taurus 1997 84,000 6-cylinder automatic \$3,380	Kia Sephia 1997 84,000 4-cylinder 5 speed \$2,350

Work It Out:

Go online and find the additional information that he needs about each of these cars. Then answer the following questions, and use a decision-making grid to make a choice for Byron.

- What is Byron's problem?
- What is his budget constraint?
- What are his alternatives?
- What criteria should he use in making this decision?

Criteria						
Alternatives	Gas Mileage	Added Costs				

Consumer Scene Investigation Grade Sheet
CSI 3 - New Wheels

- Competencies:** MM.1: Explain how limited personal financial resources affect the choices that people make.
 MM.3: Evaluate the consequences of personal financial decisions.
 MM.4: Apply a decision making process to personal financial choices.
 SC.1: Compare the benefits and costs of alternative in spending decisions.
 SC.2: Evaluate information about products and services.

- Objectives:** C: Apply steps in a problem-solving process and economic reasoning.
 D: Apply the economic way of thinking to improve money management skills and affect an individual's or family's standard of living.

Name: _____

Date: _____

Criteria:	4	3	2	1	Total:
Alternatives of Decision	Alternatives listed were realistic and effective for decision making.	Most of the alternatives were realistic and effective for decision making.	Alternatives were unrealistic or ineffective.	Alternatives were incomplete, decision making could not be done.	
Criteria of Decision	Criteria listed were realistic and effective for decision making.	Most of the criteria were realistic and effective for decision making.	Criteria were unrealistic or ineffective.	Criteria were incomplete; decision making could not be done.	
Decision Making	All steps in the decision-making process were used. The process would be effective.	Minor areas of the decision-making process were missing, all steps were included. Process was mostly effective.	A step was left out of the decision-making process. Process wouldn't be effective.	More than one step of the process was missing; ineffective decision making.	
Sources Used	Used the proper and correct sources of information in solving the problem.	Sources were effective but incomplete.	Sources were not effective for use in this decision.	Sources were not clearly examined or used.	
Evaluation of Products	Product evaluation was thorough, the proper process was used and a solution was found.	Product evaluation used the proper process and was effective in finding a solution.	Product evaluation used the proper process.	Process was incomplete and decision making ineffective.	
				Total:	