

Vocabulary

Vocabulary

Study the vocabulary words and definitions below.

- advertising** the practice of using paid announcements in newspapers and magazines, over radio and television, on billboards, etc., to sell products
- annual percentage rate (APR)** the yearly percentage rate charged on a loan or debt
- balance** difference between the amount paid and the remainder owed
- budget** a plan for saving and spending money
- consumer** one who buys a product
- consumerism** the practice of spending money wisely
- contract** an agreement enforceable by law between two or more parties
- credit** buying something now and paying for it at a later date while you use it
- credit card** a small card identifying a person as having a credit account with a store or financial institution

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discretionary	left to your own judgment or choice
finance charge	the actual dollar amount of interest or penalty a consumer is charged; often equals the APR expressed as a dollar amount
fixed expense	an expense that does not change from week to week or month to month <i>Examples:</i> rent, loan payments, car insurance
fraud	trickery or deceit
goods	items for sale that can be touched and carried away <i>Examples:</i> computers, bicycles, clothes
installment loan	a loan or debt repaid in fixed monthly amounts
interest	the rate charged on money borrowed or owed
late fee	a penalty charged for a late loan payment
lender	an institution or individual who makes loans
membership fee	a fee charged to credit card holders for the use of the card

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minimum payment the smallest amount a *lender* will permit a borrower to pay each due date on a loan or debt

needs goods and services that are necessities
Examples: food, clothing, shelter, medical care

revolving credit account an account that permits consumers to make monthly payments on a debt; minimum payment is usually a percentage of debt plus an interest charge

savings account an account established to save money

services activities performed for others for money; things that people want done for them but are unwilling or unable to do for themselves
Examples: haircut, dental work

wants goods and services that a consumer may want to buy but that are not necessities