

SCENARIO A

QUESTIONS TO CONSIDER

Use all the information in the module to help you answer the questions

1) How much will Ray repay to the licensed Money Lender?
£

2) How much will the suit in the catalogue cost him?
£

3) What are the advantages and disadvantages of each form of borrowing: -

	Advantages	Disadvantages
Licensed Money Lender		
Mail order catalogue		
Bank		

4) Are there any other options open to Ray? What other ways are there that Ray could borrow money responsibly?

5) Why is Ray worried about the bank loan?

6) What advice would you give to Ray about buying the suit? Are there any options here?

7) What would you recommend that Ray does now so that the next time he needs credit, he has some easier choices?

8) Does his wife's need for a washing machine make a difference to your advice to Ray?
Remember the credit options (are there any other viable ones?)

- Borrowing from a bank or building society
- Borrowing by using a credit card
- Borrowing by having an overdraft at the bank
- Borrowing from a Credit Union
- Borrowing from a Licensed Moneylender
- Borrowing from friends or family
- Borrowing from a store