

Financial Choices for School Trip Intermediate

Jacob is 16 and plays trumpet in his high school band. The band has been invited to a competition in Hawaii. Although the members have conducted fundraisers to pay for the trip, they will be responsible for their own spending money, one meal per day and the cost of some optional activities while they are travelling.

Jacob and his parents have decided that he should have \$400 available for his spending during the trip. He and his parents are trying to decide the best way to take the money on the trip and are considering a debit card for his checking account, traveler's checks, cash and a Visa Gift Card.

Jacob wants the chosen method to be convenient. His parents are concerned that he has a safe way to pay for his meals and activities. Jacob knows that he will need to have some cash during the trip, so the chosen method will need to allow him to obtain cash while on the trip. In addition, he would prefer not to have to pay fees for the chosen method.

Which option is best for Jacob?

Criteria

Convenience

Safety

Redeemable for cash

No fees



Financial Choices for School Trip Senior

Jacob is 16 and plays trumpet in his high school band. The band has been invited to a competition in Hawaii. Although the members have conducted fundraisers to pay for the trip, they will be responsible for their own spending money, one meal per day and the cost of some optional activities while they are travelling.

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Which option is best for Jacob?

#1

Debit Card ABC Bank

Amount	Amount available in checking account
Fees	Free with checking account
Refundable	No
Redeemable for cash	Yes- up to amount available in checking
Convenient	Yes
Safe	Safe way to access cash as needed, but identity theft can occur if the card is lost or stolen.



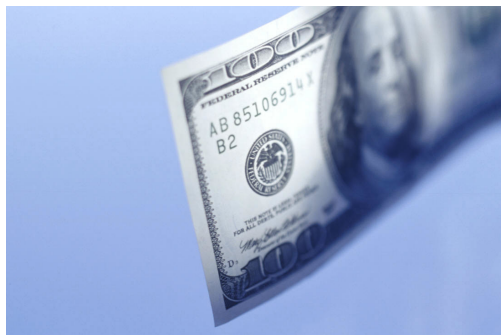
#2 AAA Traveler's Checks

Amount	Packages of \$150-\$1,000 available
Fees	\$6.00 for \$400 (1.5 % of purchase)
Refundable	Yes
Redeemable for cash	Yes
Convenient	Yes
Safe	Safe way to access cash as needed, but checks need to be carried during travel. Need to be signed before using and countersigned when being used. Can be replaced if lost or stolen.



#3 Cash

Amount	\$400
Fees	n/a
Refundable	n/a
Redeemable for cash	n/a
Convenient	Yes
Safe	No risk of identity theft, but carrying lots of cash can be risky



#4 Visa Gift Card

Amount	Amounts from \$25-\$500
Fees	\$7.95 processing fee for card plus \$4.00 fee for cards ordered by phone. Cards are good for one year from date of issuance. If a balance remains on the card after six months, a monthly maintenance fee of \$2.50 will be charged to maintain that balance.
Refundable	No
Redeemable for cash	No, but if a balance remains when expired, the card can be reissued
Convenient	Used wherever Visa debit cards are accepted.
Safety	Could be used by others, but identity theft is not likely with a gift card



Official Placing Financial Choices for a School Trip

Official Placing: 2-1-3-4

Cuts: 2-2-2

I place this class of Financial Choices for a School Trip

In the top pair I place 2 over 1 because traveler's checks do not expire and they can be replaced if stolen. They also need to be signed before using and countersigned when being used so they are more difficult to commit identity theft with than a debit card. However, I fault it because it is not as convenient to carry traveler's checks and there is a small fee for purchasing them. I grant that 1 is free with a checking account. I fault it because if the card is lost or stolen, an identity thief could access the checking account that it is associated with.

In the middle pair, I place 1 over 3 because 1 is free with a checking account and Jacob can choose the amount available by deciding how much to deposit in his checking account. 1 is also convenient to use. I grant that 3 is convenient.

In the bottom pair I place 3 over 4 because the cash in 3 is convenient and there are no fees for using it. However, I fault 3 because it could be unsafe to carry a large amount of cash that could be stolen. I fault 4 because and leave it at the bottom of the class because of the processing fees, expiration date and maintenance fees if not used completely within 6 months. Also, the entire balance could be lost if the card is lost or stolen.

For these reasons, I place the class of financial options for a class trip 2-1-3-4.

Financial Choice for
School Trip
Official Placement:2-
1-3-4
Cuts:2,2,2

1-2-3-4 - 48
1-2-4-3 - 46
1-3-2-4 - 44
1-3-4-2 - 38
1-4-2-3 - 40
1-4-3-2 - 36
2-1-3-4 - 50
2-1-4-3 - 48
2-3-1-4 - 48
2-3-4-1 - 44
2-4-1-3 - 44
2-4-3-1 - 42
3-1-2-4 - 42
3-1-4-2 - 36
3-2-1-4 - 44
3-2-4-1 - 40
3-4-1-2 - 32
3-4-2-1 - 34
4-1-2-3 - 36
4-1-3-2 - 32
4-2-1-3 - 38
4-2-3-1 - 36
4-3-1-2 - 30
4-3-2-1 - 32

Financial Choices for a School Trip

Questions – Answers

1. Which item is connected to Jacob's checking account? 1
2. Which item has a fee if purchased over the phone? 4
3. Which item cannot be redeemed for cash? 4
4. Which item is available in packages of \$150 to \$1000? 2
5. Which item can be reissued if a balance remains after expiration? 4

Financial Choices for a School Trip Questions – Answers

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4. Which item is available in packages of \$150 to \$1000? _____
5. Which item can be reissued if a balance remains after expiration? _____

Financial Choices for a School Trip Questions

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