

# Warranties and Guarantees | Worksheet



## Matching

Match the definition in Column A with the term in Column B.

### Column A

- \_\_\_\_\_ Seller's promise to address product issues at no cost.
- \_\_\_\_\_ Warranty with time/product restrictions, excluding labor.
- \_\_\_\_\_ Additional coverage beyond the standard warranty.
- \_\_\_\_\_ Safeguards for fair treatment and quality for buyers.
- \_\_\_\_\_ Seller's promise that a product will work as expected.

### Column B

- a. Consumer Protections
- b. Guarantee
- c. Warranty
- d. Limited Warranty
- e. Extended Warranty

## Multiple Choice

1. **What factor is crucial to consider when deciding whether to purchase an extended warranty?**
  - a. The color and design of the product.
  - b. The product's brand popularity.
  - c. The cost of replacing the product versus the warranty price.
  - d. The number of similar products in the market.
2. **How should a consumer proceed if a product under a free-trial guarantee is unsatisfactory?**
  - a. Cancel the service or return the product before the trial ends.
  - b. Continue using the product until the trial period ends.
  - c. Immediately purchase the product.
  - d. Wait for the company to automatically refund the cost.
3. **What should consumers do to ensure they understand the terms and coverage of a guarantee or warranty?**
  - a. Pay for the product using a credit card only.
  - b. Read the terms and conditions carefully.
  - c. Purchase an additional insurance policy.
  - d. Contact the manufacturer directly for a detailed explanation.
4. **What does a Best Price Guarantee enable a customer to do?**
  - a. Return the product for a full refund if not satisfied.
  - b. Try the product for free for a specified period.
  - c. Receive compensation if the product breaks down.
  - d. Match the price if a lower price is found elsewhere.

## Application

You've purchased a \$500 "PragerStation Pro" console with a 1-year warranty. For an additional \$100, an extended warranty covers two more years, including accidents. Considering repair costs up to \$300 and a usage plan of 4+ years, decide if the extended warranty is worthwhile.



## Warranties and Guarantees | Answer Key

### Matching

Match the definition in Column A with the term in Column B.

#### Column A

- b. Seller's promise to address product issues at no cost.
- d. Warranty with time/product restrictions, excluding labor.
- e. Additional coverage beyond the standard warranty.
- a. Safeguards for fair treatment and quality for buyers.
- c. Seller's promise that a product will work as expected.

#### Column B

- a. Consumer Protections
- b. Guarantee
- c. Warranty
- d. Limited Warranty
- e. Extended Warranty

### Multiple Choice

1. **What factor is crucial to consider when deciding whether to purchase an extended warranty?**
  - a. The color and design of the product.
  - b. The product's brand popularity.
  - c. **The cost of replacing the product versus the warranty price.**
  - d. The number of similar products in the market.
2. **How should a consumer proceed if a product under a free-trial guarantee is unsatisfactory?**
  - a. **Cancel the service or return the product before the trial ends.**
  - b. Continue using the product until the trial period ends.
  - c. Immediately purchase the product.
  - d. Wait for the company to automatically refund the cost.
3. **What should consumers do to ensure they understand the terms and coverage of a guarantee or warranty?**
  - a. Pay for the product using a credit card only.
  - b. **Read the terms and conditions carefully.**
  - c. Purchase an additional insurance policy.
  - d. Contact the manufacturer directly for a detailed explanation.
4. **What does a Best Price Guarantee enable a customer to do?**
  - a. Return the product for a full refund if not satisfied.
  - b. Try the product for free for a specified period.
  - c. Receive compensation if the product breaks down.
  - d. **Match the price if a lower price is found elsewhere.**

### Application

(Responses may vary.)

Given the high risk of accidents in a household with kids and the significant repair costs, the \$100 extended warranty seems a prudent investment. It offers peace of mind and financial protection for your \$500 console over your planned usage period of 4+ years, making it a cost-effective choice in the long run.