

# Good vs. Bad Credit | Worksheet



## Matching

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

### Column A

- \_\_\_\_\_ Borrowed money that is paid back over time.
- \_\_\_\_\_ Measure of trust given to a customer for future payment.
- \_\_\_\_\_ Measure of reliability of a customer in making payments.
- \_\_\_\_\_ Individual or institution that provides funds to borrowers.
- \_\_\_\_\_ Tool used to buy things now and pay them back later.

### Column B

- a. Credit
- b. Credit Card
- c. Credit Score
- d. Loan
- e. Lender

## Multiple Choice

1. **What is the range of credit scores?**
  - a. 100 to 500
  - b. 300 to 850
  - c. 500 to 1000
  - d. 0 to 1000
2. **Which of these is considered a very good credit score?**
  - a. 150
  - b. 550
  - c. 750
  - d. 950
3. **What happens to your credit if you pay back your borrowed money on time and in the amount agreed to?**
  - a. Your credit score goes up.
  - b. Your credit score goes down.
  - c. Your credit score fluctuates.
  - d. Your credit score stays the same.
4. **What is one way you can start building good credit?**
  - a. Make regular small purchases only in cash or Bitcoin.
  - b. Make regular large purchases on your credit card.
  - c. Make regular small purchases on your debit card.
  - d. Make regular small purchases on your credit card.

## Application

Having a good credit score is an important part of qualifying for a loan when you want to make a big purchase. Write about something you would like to purchase someday that might require you to apply for a loan.



## Good vs. Bad Credit| Answer Key

### Matching

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

#### Column A

- d. Borrowed money that is paid back over time.
- a. Measure of trust given to a customer for future payment.
- c. Measure of reliability of a customer in making payments.
- e. Individual or institution that provides funds to borrowers.
- b. Tool used to buy things now and pay them back late.

#### Column B

- a. Credit
- b. Credit Card
- c. Credit Score
- d. Loan
- e. Lender

### Multiple Choice

1. What is the range of credit scores?

- a. 100 to 500
- b. 300 to 850
- c. 500 to 1000
- d. 0 to 1000

2. Which of these is considered a very good credit score?

- a. 150
- b. 550
- c. 750
- d. 950

3. What happens to your credit if you pay back your borrowed money on time and in the amount agreed to?

- a. Your credit score goes up.
- b. Your credit score goes down.
- c. Your credit score fluctuates.
- d. Your credit score stays the same.

4. What is one way you can start building good credit?

- a. Make regular small purchases only in cash or Bitcoin.
- b. Make regular large purchases on your credit card.
- c. Make regular small purchases on your debit card.
- d. Make regular small purchases on your credit card.

### Application

Sample response: Cars can be expensive, and I might not have enough money saved up to buy one outright. That's where getting a loan comes in handy. With a loan, I can borrow money from a bank or a lender to buy the car and then pay it back over time. But to qualify for a loan, I'll need to have a good credit score. A good credit score shows lenders that I'm responsible with money and can be trusted to pay back what I borrow on time. So, I'll need to make sure I'm always making payments on time and not spending more than I can afford to keep my credit score in good shape. That way, when the time comes to buy my dream car, I'll be ready to apply for a loan and make my purchase!