



## First car — wheels and deals

**Year level:** Year 9 and 10

**Duration:** 60 minutes (lesson 1 of 2 connecting lessons)

**Key learning area:** English, Mathematics, \*Economics and business

### Lesson description

Students explore common consumer rookie errors associated with buying a car. Learning begins with watching the MoneySmart Rookie *'In the driver's seat'* video. Students then undertake a variety of learning and feedback activities on the main costs and pitfalls of buying a car, including purchase price, registration, insurance, petrol, servicing/repairs and loan repayments.

In the second part of the lesson students complete an activity worksheet to investigate the necessary precautions and knowledge required to avoid making rookie errors when buying a first car. The lesson concludes with the opportunity for students to complete a short reflective task.

### Enduring understanding/deep learnings:

- ▶ There are a number of costs involved with buying a car.
- ▶ Making informed and responsible choices when buying a car can save you money.
- ▶ You can save money and avoid 'rookie errors' if you research the essential costs related to buying your first car.

\* Please note that this lesson plan has been aligned with the draft Economics and business curriculum. This mapping will be confirmed when the curriculum is endorsed.



## Activity 1: MoneySmart Rookie 'In the driver's seat' video (10 minutes)

### Task 1: Video

Watch the MoneySmart Rookie 'In the driver's seat' video <http://teaching.moneysmart.gov.au/resource-centre/moneysmart-rookie-for-educators>. (Duration 7 minutes)

### Task 2: Discussion

Facilitate a class discussion of some of the video's key messages. Ask the class, 'Why do people buy cars?' Write responses on the board - responses should focus around:

- ▶ **Self-esteem/status:** Wanting to appear cool or successful to your friends.
- ▶ **Practicality:** A great way to get somewhere (e.g. work) without being reliant on public transport.
- ▶ **Freedom:** No longer having to ask your parents or older brothers/sisters to take you somewhere. You have the freedom to travel almost anywhere at a moment's notice.
- ▶ **Work:** For a lot of tradespeople and farmers, their car (e.g. ute) doubles as a work vehicle.

In their workbooks, students can copy down the reasons and rank them in order of personal importance.

Discuss ranking differences, e.g. Is self-esteem more important than practicality?

## Activity 2: Buying a car (20 minutes)

### Task 1: Buying a car mind map worksheet

Distribute Worksheet 1: Buying a car mind map. Explain to students that they will need to write 'CAR' in the centre circle of the worksheet's mind map. In each of the connecting circles students will need to list the six main expenses in owning and running your first car:

1. Price
2. Registration
3. Insurance
4. Running costs
5. Servicing and repairs
6. Loan repayments (if using credit).

Explain to students that they will then need to list at least three examples of things related to each main expense in each of the six outside circles. These examples may be specific costs or factors that may impact on the cost. Examples could include:

- ▶ **Price:** New car, used car, private purchase, make and model of car, warranty.
- ▶ **Registration:** roadworthy certificate, size of vehicle, weight of vehicle.
- ▶ **Insurance:** Type (e.g. Compulsory third party, Third party property, Third party fire and theft, Comprehensive), driver age, driving record, make and model of car, additional features or extras.
- ▶ **Running costs:** Fuel, engine size/fuel efficiency, tyres, parking costs.
- ▶ **Servicing/repairs:** Service/repair centre, parts availability, where the car comes from (e.g. European cars v. Australian made cars).
- ▶ **Loan repayments:** Payment schedule, interest paid over life of loan, the credit provider e.g. high dealer rates v. bank or parents etc.

\***Teacher tip:** A student could also complete this activity on the purchase of a motorbike.



### Activity 3: My first car (30 minutes)

#### Task 1: My first car mind map worksheet

Distribute Worksheet 2: My first car mind map. Using the internet, students find a picture of their ideal 'first car' (under \$20,000) and copy and paste it into the centre circle of their second mind map worksheet.

#### Task 2: Car expenses research

Using the Under 25s section of the MoneySmart website and the internet, students research the six main expenses specifically associated with owning their ideal first car. Students record their answers in the mind map along with two or three factors that will impact on that cost. For example, insurance costs and coverage will significantly differ if you buy a 1999 VT Club Sports Commodore on finance, as compared with paying cash for a 1970s Volkswagen Kombi.

**\*Teacher tip:** Set some parameters for your students so that they are costing on the same basis. For example, each student will have to have their car serviced twice a year and will travel 100 km per week.

#### Task 3: Discussion

At the end of the activity ask students to compare the costs of buying and running the car they have selected so that they can hear about the range of vehicles selected and their running costs.

### Reflective/Summative activity (5 minutes)

1. List three new things that you learned today about buying a first car.
2. In your opinion, which of these components is the most important to you?

### Extension or homework activity

Complete the same exercise, but this time for a student's ultimate dream car: e.g. Dodge Viper, Gull-Wing Mercedes, 1970 GT Holden Monaro, etc.

### Alternative activity: 'First car' practice conversation (10 minutes)

This activity is described in Lesson plan 2. However, it may be helpful for some students to do this activity in Lesson 1 as well so that their participation in Lesson 2 becomes a strengthening of the development of their practical skills in this type of conversation.



## Resources

1. MoneySmart Rookie 'In the driver's seat' video
2. Data projector/TV and DVD player or computer
3. 'First car' convo
4. Activity worksheet/s
5. Computers with internet access
6. ASIC's MoneySmart and MoneySmart Teaching websites

## Additional resources

This lesson plan is part of the **MoneySmart Rookie** suite of resources for educators which can be accessed at: <http://teaching.moneysmart.gov.au/resource-centre/moneysmart-rookie-for-educators>. Other topics include:

- ▶ Credit and debt
- ▶ First job
- ▶ Mobile phone ownership
- ▶ Moving out of home
- ▶ Online financial transactions

The Under 25s section of the **MoneySmart website** has additional MoneySmart Rookie materials for young people including case studies, videos, tips and tools and calculators. These can be accessed at: <https://www.moneysmart.gov.au/life-events-and-you/under-25s>

The **MoneySmart Teaching secondary package** has a number of units for Year 9 and 10 students. The package can be downloaded for free at: <http://teaching.moneysmart.gov.au/professional-learning/moneysmart-teaching-packages>.

The **Financial Health for Teachers** personal learning program is designed to inspire and empower teachers to take charge of their financial lives and of the choices they make as consumers. Read current issues, or subscribe at <http://teaching.moneysmart.gov.au/professional-learning/financial-health-for-teachers>.

The Australian Taxation Office has developed **Tax, super and you**, a resource to guide students learning about their future tax and superannuation obligations at <http://www.taxsuperandyou.gov.au/>.

### English Year 9 Could I live smaller?

- ▶ Online transactions, consumerism, shopping online

### English Year 10 Teens talk money.

- ▶ Financial planning, online payments, budgeting

### Mathematics Year 9 How can we obtain more money?

- ▶ Earning, managing and growing money, achieving goals, data analysis, statistics and samples.

### Mathematics Year 10 Reaching goals: What's involved?

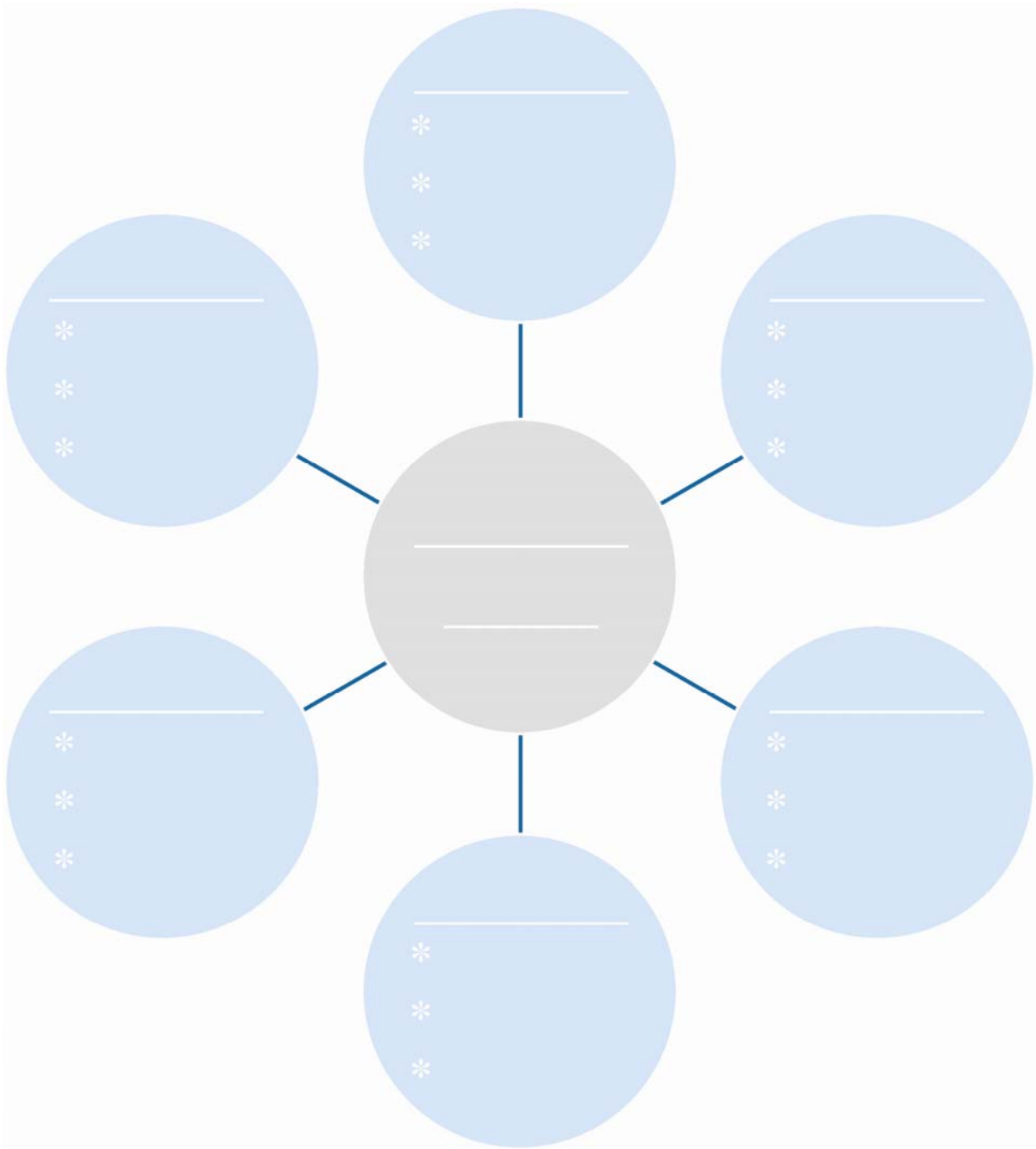
- ▶ Setting goals and planning, compound interest in a range of financial contexts, risks and rewards of borrowing money



### Worksheet 1: Buying a car mind map

**NAME:** \_\_\_\_\_

Complete the following mind map by writing 'CAR' in the centre circle and listing the six main expenses of owning a car in the outer circles. Complete the dot points below the expenses by writing specific costs or factors that may impact on the cost.

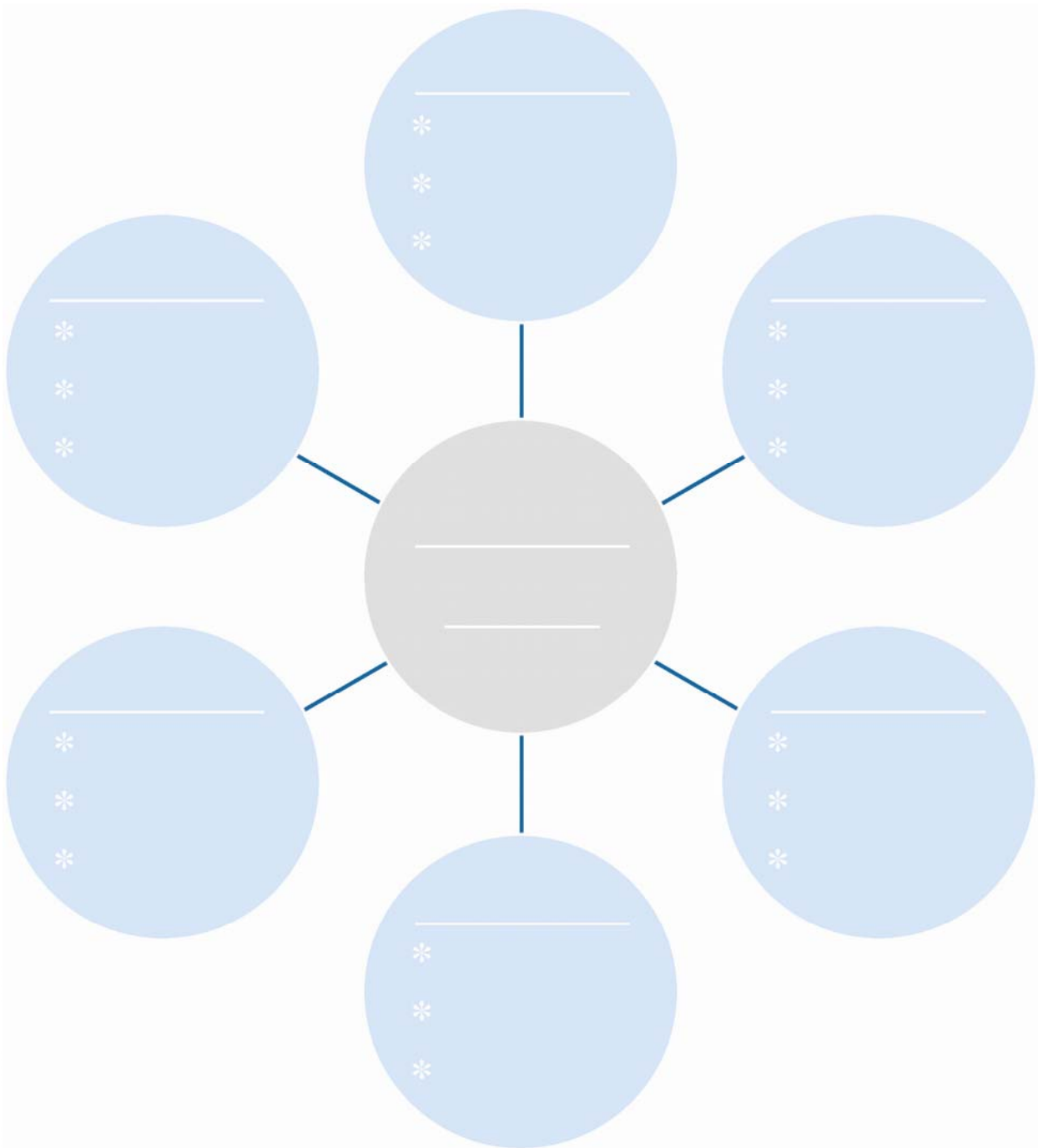




## Worksheet 2: My first car mind map

**NAME:** \_\_\_\_\_

Complete the following mind map by finding a picture of 'My First Car' (under \$20,000) and pasting it into the centre circle. Use the Under 25s section of the MoneySmart website and the internet to research the six main expenses specifically associated with owning your dream first car. Record the expenses in the outer circles and below them write the features of your first car or your intended use that will affect the cost.





## Links to the Australian Curriculum and National Consumer and Financial Literacy Framework

### Australian Curriculum content

#### English

- ▶ Understand how language use can have inclusive and exclusive social effects, and can empower or disempower people (ACELA1564) (Language/Language for interaction).
- ▶ Analyse and explain how text structures, language features and visual features of texts and the context in which texts are experienced may influence audience response (ACELT1641) (Literature/Responding to literature).

#### Mathematics

- ▶ Evaluate statistical reports in the media and other places by linking claims to displays, statistics and representative data (ACMSP253) (Statistics and Probability/Data representation and interpretation).

### Economics and business

#### Year 9

- ▶ Investigating and identifying financial risks such as scams, identity theft.
- ▶ Collect relevant data and/or information from a range of sources to respond to an issue and/or event.

#### Year 10

- ▶ Analysing trends in the ways consumers spend, for example an over reliance on credit.

### National Consumer and Financial Literacy student learnings

- ▶ Discuss and compare different sources of consumer and financial advice.
- ▶ Analyse relevant information to make informed choices when purchasing goods and services and/or to resolve consumer choices.

ASIC's MoneySmart Teaching initiative builds the consumer and financial literacy capabilities of Australian school students by developing students' knowledge, skills, values and behaviours to enable them to make confident, informed consumer choices and responsible financial decisions that are essential to their future financial wellbeing. To view the MoneySmart Teaching Primary and Secondary packages and all the online and digital resources visit [www.teaching.moneysmart.gov.au](http://www.teaching.moneysmart.gov.au)

