

CHAPTER 28 ACTIVITY
Basic ConceptsGLENCOE
STREET LAW
A Course in Practical Law

Directions: Read the questions that follow, and select the best answer from those provided.

1. The actual cost of a new or used car is generally the
 - a. sticker price.
 - b. blue book value.
 - c. negotiated price taken into consideration bonuses, special sales, time of year, and rebates.
 - d. none of the above.
2. Bumper-to-bumper warranties cover
 - a. all parts.
 - b. just the bumpers.
 - c. major parts except batteries and tires.
 - d. major parts except motor and cooling system.
3. Warranties on used cars sold by used-car dealers
 - a. do not exist.
 - b. are required for all used cars.
 - c. exist only if the buyer's guide lists an express warranty or the sticker does not give the price of the car "as is."
 - d. none of the above.
4. One way a warranty can become void is when
 - a. the buyer fails to perform scheduled maintenance.
 - b. the buyer loses the paperwork.
 - c. the seller issues a general disclaimer that warranties are no longer to be honored.
 - d. all of the above.
5. The longer the repayment period for a loan on a car
 - a. the higher the monthly payments will be.
 - b. the higher the interest rate will be.
 - c. the higher the total finance charges will be.
 - d. none of the above.
6. Advantages of leasing a car over buying a car include
 - a. the number of miles that can be driven are unlimited.
 - b. monthly lease payments are generally lower than monthly loan payments.
 - c. one owns the car at the end of the lease.
 - d. if the lessee decides to buy the leased car, the price is usually lower than if the lessee had bought the car originally.
7. The first thing you should do if you are in an auto accident is
 - a. look for witnesses to the accident.
 - b. contact your insurance agent.
 - c. make notes about the accident.
 - d. check for injuries.