

Name _____

Finance

Buying a Car – Trade-Ins

Imagine you are ready to purchase a new car. You have agreed with the dealer to a price of \$30,000. You are trying to decide whether or not to “trade-in” your old car.

Option 1: Not trading in the car

Negotiated Price of the Car: _____

Actual Sales Tax Owed: _____

Total Cost (to Purchaser) of Vehicle _____

How a trade-in works:

Option 2: The dealer offers you \$10,000 to trade-in your old car.

Negotiated Price of the Car: _____

Trade-In Value of Your Car: _____

Amount Owed For Car: _____

Actual Sales Tax Owed: _____

Total Cost (to Purchaser) of Vehicle _____

Based on this information, how much would you have to sell your car privately for in order to beat this trade-in offer? _____