Getting Around Unit

At the conclusion of this unit, you will:

a. Discuss new versus used car options and purchase versus lease options

b. Describe methods of locating and purchasing a vehicle

c. Explain typical sales tactics and methods of negotiating a purchase

d. Understand financing options and GAP

e. Calculate mileage and fuel costs in trip planning

f. Routine maintenance; enhancing trade in value and keeping the vehicle safe and running

g. Evaluate costs associated with a specific automobile

i. Define terms associated with automobile sales and ownership

**Terms to define:**

1. Manufacturer’s Suggested Retail Price

2. Warranty

3. Lease

4. Invoice Price

5. Base Price

6. Dealer Sticker Price

7. Destination Charge

8. Certified Pre-Owned

9. Retail Price

10. Wholesale Price

**Problems to Solve**

1. You are considering purchasing a brand new vehicle:

2014 Dodge Journey; Limited Style; V6 Flex Fuel; Sun/Sound & Wheel Group; Everything else is standard. The best price the salesman says you can get it for is $30,500.

However, you have been told that you would be better off to buy a Certified Pre-owned Vehicle. There is one available –

A 2012 Dodge Journey – 25000 miles; R/T Sport Utility 4D

* V6, 3.6 Liter, Automatic 6 Speed; AWD; Traction, Stability, AWS; Keyless Entry and Start, Air Conditioning, Power Windows and Locks
* Cruise Control, Power Steering, Tilt Wheel,
* AM/FM Stereo, Bluetooth, U Connect
* Dual & Side Airbags and F&R Air Bags
* Heated and Power Seats
* Alloy Wheels

It is priced at $24,000.

You are undecided because your heart is set on a brand new car.

You would be trading in a 2004 Ford Escape, XLS with 154,000 miles.

* V6, 3.0 liter, 4WD,
* Automatic transmission,
* ABS, Power windows and locks, Air Conditioning; AM/FM Stereo Cassette,
* Dual Air Bags, Power seat, Roof Rack, Steel Wheels
* It is in Good condition.

The dealership said they would give you $2000 trade in.

**You have to decisions to make:**

1. Make a table comparing and contrasting purchasing new versus used versus Certified Pre-Owned versus Lease.

2. Determine whether to trade in your vehicle or sell it to a private party; if you do trade it in – is the dealership’s offer fair?

3. Decide whether to purchase the brand new vehicle or the Certified PreOwned Vehicle.

Websites that will help you:

New, Used, Certified and Leasing

<http://www.investopedia.com/articles/pf/07/neworusedcar.asp>

<http://www.cars.com/go/advice/shopping/cpo/stories/story.jsp?section=cpo&subject=cpo_learn&story=cpoForYou&referer=&year>=

<http://www.silverstatecu.com/life-planning/buying-a-car/pros-and-cons-of-buying-used-cars.aspx>

<http://www.cbsnews.com/news/the-pros-and-cons-of-leasing-a-car/>

<http://www.dmv.org/buy-sell/new-cars/leasing-vs-buying.php>

<http://www.consumerreports.org/cro/2012/12/pros-and-cons-of-leasing/index.htm>

http://www.dmv.org/buy-sell/used-cars/certified-pre-owned.php

Car Values:

[www.kbb.com](http://www.kbb.com)

[www.edmunds.com](http://www.edmunds.com)

Other factors/Getting the best deal:

<http://www.silverstatecu.com/life-planning/buying-a-car/the-best-time-to-buy-a-car.aspx>

<http://abcnews.go.com/Business/10-car-buying-gotchas-avoid/story?id=20320840>

<http://money.msn.com/car-buying/5-sneaky-car-dealer-sales-tricks>

http://www.cartalk.com/content/secret-tricks-car-salesmen

**Other things to help you make your decision:**

Phone discussion with County Treasurer’s Office

Discussion group with Mrs. Humphrey

Complete the following:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **New** | **Used** | **Certified PreOwned** | **Lease** |
| **Pros** |  |  |  |  |
| **Cons** |  |  |  |  |

What have you decided to do about your old car? (put the dollar amount you would sell or trade your car by the option you chose.)

|  |  |
| --- | --- |
| **Trade in Car** |  |
| **Sell to a Private Party** |  |

***Explain why you made this choice:***

What have you decided to do about the new car? (put the amount you offered to pay by the choice you made).

|  |  |
| --- | --- |
| **New 2014 Journey** |  |
| **Certified PreOwned 2012 Journey** |  |
| **Lease** |  |

***Explain why you made this choice:***

What day of the week did you decide to buy your car? Why?

What tactics were you prepared to deal with from the salesman and the car dealership? How would you handle them?

**Problem #2: A friend comes to you needing advice about a car they bought they think is a lemon and about selling the car they have. Here are some websites that will help you answer the questions they have:**

<http://www.dmv.org/mt-montana/automotive-law/lemon-law.php>

1. Explain the Lemon Law:

2. What can you do if you feel you have purchased a “lemon?”

3. How many times does a dealership have to make a repair before you are entitled to a full refund?

<http://www.dmv.org/vehicle-history.php>

5. What is a Vehicle History Report?

6. What is a bill of sale and where can you get one?

<https://doj.mt.gov/wp-content/uploads/MV24.pdf>

7. Click on the Bill of Sale PDF and explain the basic items on the form

8. What is the purpose of the Electronic Record Transfer?

<https://doj.mt.gov/wp-content/uploads/MV1.pdf>

9. What is an Application for Certificate of Title for?

<http://www.dmv.org/mt-montana/buy-sell/state-regulations.php>

10. Can only one owner sign a bill of sale?

11. Why would you want to see the most recent registration on a vehicle?

12. How many days do you have to register your new vehicle?

**Problem #3**

You and your friends are going on a trip to see a concert in Los Angeles. To save money, you decide to drive. There are five of you going and you agree to split the cost equally.

Task 1: Go to: <http://www.fueleconomy.gov/>

Compare gas mileage on three different vehicles that are 2010 or older.

|  |  |  |  |
| --- | --- | --- | --- |
| Year/Make & Model: |  |  |  |
| Number of Seats: |  |  |  |
| Fuel Tank Size: (you may have to Google this) |  |  |  |
| Miles Per Gallon (MPG) |  |  |  |

Which one are you going to select? Why?

Task 2: Plan your trip:

a. Using Google Maps or Mapquest (starting from Helena Montana)determine the route you will take.

b. Fill up with gas in Helena (how many gallons? ) What will you pay? Use <http://www.gasbuddy.com/GB_Price_List.aspx>

c. Determine how far you can go on each tank of gas (Use your MPG).

d. Determine where you will stop on your trip for gas and how much you will pay. Don’t forget to fill up when you get back to Helena.

e. Determine how much each person will pay for the trip.

Complete the following table:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Stops** | **Location** | **Gallons of Gas** | **Price Per Gallon** | **Cost** |
|  | Leave Helena |  |  |  |
| 1 |  |  |  |  |
| 2 |  |  |  |  |
| 3 |  |  |  |  |
| 4 |  |  |  |  |
| 5 |  |  |  |  |
| 6 |  |  |  |  |
| 7 |  |  |  |  |
| 8 |  |  |  |  |
| 9 |  |  |  |  |
| 10 |  |  |  |  |
|  | **Return to Helena** |  |  |  |
|  | **Total Cost** |  |  |  |
|  | **Cost per Person** |  |  |  |