

Chapter 15 Home and Motor Vehicle Insurance

Economics and You: Competition

Directions Read the following situations and answer the questions. Show all mathematical calculations.

1. A well constructed work jacket has a price of \$100, as well as a guarantee and a repair service for the life of the jacket, which should last approximately five to six years. A competing work jacket has a price of \$75, but it is not as well constructed so it will probably have to be replaced in three years. Which jacket should be purchased?

2. A brand-name shirt is featured in a well-known catalog for \$39.99. You see the same shirt at a discount store with a different label for \$31.99. Your friend says that the brand name shirt is a better option because it probably is better quality because it is a name brand. Which shirt would you buy?

5. When shopping for medical insurance the variety of options that can be built into the plan make it a challenge. Conduct online research to find medical insurance for a family of four and make a decision as to which one you would select. No one in the family smokes. The female parent's birthday is April 29, 1970; the male parent's birthday is July 7, 1969; the male child was born on October 6, 2001 and the female child was born on January 4, 2003. Use the chart below to compare options. Which medical carrier would you select for this family and why?

Company	Plan Type	Deductible	Co-insurance	Office Visit