

Car Buying Quiz

So you really think you're ready to go out and get a good deal on that new car you want? Before you head for the door, see if there are any gaps in your knowledge. It's better to find out now than when you are in the hot seat, ready to sign the contract and suddenly get that gnawing feeling that things just aren't right.

1) Define these three pricing terms:

- Sticker price
- Invoice price
- Market Price

2) You call a dealership and ask for a quote on the car you want to buy. The salesman tells you his boss won't let him give prices over the phone. He urges you to "come on down and we'll work up some numbers." Your next move in this case is to:

- a) Hurry into the dealership before the salesman loses interest in you.
- b) Call another dealership and hope that a different salesman will give you a price.
- c) Solicit quotes over the Internet.

3) True or False: Incentives and rebates really have no effect on the price of a car. They are just another tactic to rope you into becoming a "today buyer."

4) In the following list, which financial term might irritate a car salesman if you use it in negotiations?

- a) Rebates
- b) Holdbacks
- c) Invoice price
- d) Sticker price
- e) Interest rate
- f) Down payment
- g) DMV fees

5) At a dealership you ask to see a specific car that you saw advertised in the newspaper at a great price. The salesman says that car has already been sold but he points out another model that seems very exciting. Soon you find yourself seriously considering this car instead. You have just been a victim of what sales tactic?

- a) "The old churn and burn."
- b) "Moving metal."
- c) "Bait and switch."

6) You call an Internet sales manager and ask for a price quote on a specific car. She says the car will be "about two hundred over invoice." Your next move should be:

- a) Ask to have the invoice and a "worksheet" (listing all the fees) faxed to you.
- b) Head to the car lot to close the deal.
- c) Arrange financing with your credit union.

7) True or False: When your credit is weak, you will always get the best interest rate from the car dealer.

8) You have negotiated aggressively for the car you want to buy and you've finally arrived at what seems like a good price. The salesman takes you to the finance manager who says he will draw up the contracts. You should:

- a) Relax now that the stress of negotiating is over.
- b) Make sure you keep your mouth shut and squint a lot.
- c) Keep your guard up because the crucial part of the process is beginning.

9) True or False: When it comes right down to it, the best way to shop for a car is to drive to the nearest dealership and walk the lot.

10) Finish this sentence as it applies to car buying: "Knowledge is _____."