

CFM FINANCIAL MANAGEMENT: FM.2 MONEY MANAGEMENT

Comparing Payment Methods and Total Transaction Costs

Detailed practice, calculation, decision-making, and assessment

GRADES 9-12	TIME 2 x 42 min	GROUPING I / pairs / whole	PRODUCT Recommend
YOUR CHALLENGE Compare cash, debit, credit, prepaid, check, and payment-app choices using cost, access, speed, records, and risk.			

New York CFM Connections: Payment Choices, Mobile Banking Safety, Records, and Account Errors

A payment method is a tool for transferring money. The purchase price may be identical while fees, timing, account impact, dispute options, privacy, and fraud risk differ. A good choice matches the transaction and uses verified terms; no method is universally best.

Term	Student-friendly meaning
Payment method	A way to transfer money for a purchase or obligation.
Transaction fee	A charge connected with making or receiving a payment.
Authorization	Permission to complete a transaction.
Settlement	The process by which payment funds are transferred and finalized.
Dispute	A request to investigate an incorrect or unauthorized transaction.
Prepaid card	A payment card generally limited to funds loaded in advance.
CLASSROOM USE All people, employers, figures, brackets, and documents in this packet are fictional. Never place a real Social Security number, employer ID, bank number, or tax document in classroom work.	

Part 1 - Compare Payment Methods

Evaluate six methods.

Method	Funding source	Possible cost	Record/speed	Important risk
Cash				
Debit card				
Credit card				
Prepaid card				
Check				
Payment app				

Use current account/provider terms rather than assumptions.

Part 2 - Calculate Total Transaction Cost

A \$240 purchase has fictional options: cash \$0 fee; debit \$1; credit 3% merchant surcharge; prepaid \$2.50 reload plus \$1 purchase fee; app 1.75% instant-funding fee.

Method	Price	Fee equation	Total	Percent above price
Cash				
Debit				
Credit				
Prepaid				
App				

These fictional fees do not represent every provider.

Part 3 - Match Method to Situation

Consider an in-person purchase, online seller, monthly bill, friend reimbursement, emergency repair, and purchase from an unknown stranger.

Situation	Possible method	Reason	Verification/protection question
In person			
Online merchant			
Monthly bill			
Friend repayment			
Emergency repair			
Unknown stranger			

Convenience does not replace verification.

Part 4 - Analyze a Payment Scam

A seller demands payment-app transfer, refuses a card, pressures immediate action, and promises a refund after shipment.

Signal	Why concerning	Safe action	Evidence to keep
Method demand			
No card			
Urgency			
Refund promise			
New account			
Off-platform chat			

Do not send money during the exercise.

Part 5 - Write a Payment-Method Decision Guide

Write 150–200 words with decision rules.

Decision check	Rule/evidence
Total cost	
Recipient verification	
Account impact	
Records	
Dispute question	
Privacy	
Scam response	
Backup method	

Explain when the choice should change.