

Investigating New and Used Vehicles

Your major project for this term is to research purchasing the vehicle of your dreams! You will compare your dream car in terms of purchasing it new and purchasing it used. Pick a vehicle that you can find on the used car market for a four-year-old model of your vehicle. Therefore, new vehicles for the current year that have no prior history cannot be used (i.e. the model of the car is new or has not been around for at least four years).

First determine what type of vehicle you would be interested in having. Find out what the different models there are for your vehicle. Select your model and the options you would like to add to your vehicle in addition to the standard options. Some manufacturers have specific options included in a package such as a sports package, convenience package, etc. This means that some options are not available unless you purchase the package.

Contact a local automobile dealership and price your dream car with the options or packages you wish to have. Find out what the Manufacturer's Suggested Retail Price (MSRP) price (**in Canadian \$**) is for the vehicle. Make sure when you call or visit the dealership to let them know you are doing a project for class on the purchase of the vehicle of your choice. I DO NOT expect you to negotiate a purchase price with the salesperson as this involves an actual legitimate purchase procedure. I would suggest that you actually visit the dealership to get a feel of what it is like to walk into a car dealership to get the information that you need. Again, make sure you are up front with the salesperson that you are investigating car prices for school.

In addition to finding out the MSRP of the vehicle, you need to find out the financing and lease rates. Find out what your monthly payments would be for a three-year lease versus a four-year financing arrangement with no down payment. If the dealership you are working with has promotional incentives, make sure you indicate this in your report.

Call two insurance companies and indicate that you would like to get a price quote for a vehicle. Let the salesperson know that you are doing a project and you would like an estimate based on your driving record and age for the vehicle you have chosen and with you as the principal driver. Alternatively, there are now websites that you can find quotes for (e.g. Kanetix). You will need to know the MSRP of the vehicle and the exact type of vehicle for the insurance company as each model and size of vehicle are priced differently. For example the new Mazda Tribute compact SUV has numerous models ranging from DX, LX, and ES with 2-wheel drive or 4-wheel drive and different size engines. Your insurance coverage should include: \$1,000,000 liability, Accident Benefits, Direct Compensation - Property Damage, and a \$500 deductible on comprehensive and collision insurance.

Do **NOT** leave any research details out! Everything is important in your research process and I want you to document everything for me in your report. The next page lists the **MINIMUM** components you should have in your report. The list is not exhaustive. Be as detailed as possible.

Components of your Report

Introduction - A paragraph or two indicating why you chose the vehicle and why you chose the options you did. Reasoning may include manufacturer name, style of vehicle, popularity, look, advertising, etc. Be as detailed as possible.

Features of the Vehicle & Reviews - Indicate the major features of your vehicle, fuel consumption, and a comparison of the vehicle with two others in the class. For example, the Mazda Tribute's rivals are the Ford Escape, Hyundai Sante Fe, Honda CR-V, and the Toyota RAV 4. Can you include car reviews and briefly discuss them here?

Vehicle Pricing, Financing, and Insurance - Write a paragraph or two on your findings and which method you would prefer to use - leasing or financing with reasons for your choice. Chart your financial information in a table or in columns. For insurance information, indicate whom you called for price quotes and provided detailed information on your quotes.

Used Vehicle Research - For the used car, find three different prices for a 1997 model of your vehicle with similar if not the same options you are looking for in your new vehicle. Include the ads in your report. What are factors you must consider in purchasing a used vehicle?

Comparison of New vs. Used - Compare the purchase of your vehicle versus buying it used. What are the advantages and disadvantages of each? Indicate whether you would buy the vehicle new or used and provide at least three reasons for your choice. Once you have justified buying new versus used, state your form of financing for the vehicle - purchase outright, lease, or finance, based on your research and what you feel is in your best interest at this stage in your life.

Conclusion - Summarize the information on the vehicle that you wish to obtain. Is your choice practical based on your research? Should you wait for you dream car and get a different one to start?

Supplemental material such as brochures, pictures, vehicle reviews, price lists, etc. would help improve your project.

Your report should be professionally typed with an appropriate title page, table of contents, endnotes, and bibliography. Any Internet information can be included in an Appendix (appendices if more than one). More instructions will follow on how to include this in your report. Proper layout of your project will also be awarded marks.

Rough Draft Due:

Due Date: