FINANCIAL LEARNING CAFE

Funding Academy • F02

Lesson 3 Resource

Compare equipment financing and leasing

Purpose matcher

Premium lesson companion

Teaching brief • applied vocabulary • guided workbook • knowledge check • answer guide

Name ______________________________________

Date ______________________________________

Compare equipment financing and leasing

Equipment loans, leases, and cash purchases distribute ownership, tax, maintenance, obsolescence, and cash-flow effects differently.

The deeper idea

Equipment ownership, leasing, and vendor arrangements differ in upfront cash, tax treatment, maintenance, residual value, liens, flexibility, and end-of-term conditions.

Learning objectives

- Explain equipment loan in the context of compare equipment financing and leasing.
- Distinguish lease from an assumption or promotional summary.
- Show how residual value changes cost, timing, control, responsibility, or risk.
- Complete the purpose matcher using traceable source information.

Vocabulary in action

equipment loan	Locate it in source material and state what it measures or governs.
lease	Use it to make the comparison concrete instead of relying on a label.
residual value	Name who carries responsibility, what triggers it, and which control makes it visible.

FIVE-STEP DECISION METHOD

Move from information to a responsible next step.

1. Define the exact question

State the purpose, deadline, and consequence of delay. Connect the question directly to compare equipment financing and leasing.

2. Gather governing evidence

Collect current agreements, statements, official disclosures, operating records, or program instructions. Record the source and date.

3. Apply the vocabulary

Locate equipment loan, lease, and residual value in the real document or process. Translate each into a dollar, date, action, control, or responsibility.

4. Test a difficult case

Change one important assumption - timing, volume, cost, income, access, or support - and explain whether the plan still works.

5. Record the decision

Choose proceed, revise, compare, seek qualified review, or stop. Name the next action, its owner, and the review date.

Applied scenario

A learner must make this decision this month. The learner gathers governing records, locates equipment loan, lease, and residual value, and completes the assignment. The decision pauses if the difficult-case test exposes an obligation or operating risk that cannot be managed.

Purpose matcher

Compare total scheduled payments, end-of-term rights, and operational risks for a sample asset.

Purpose: What exact decision does compare equipment financing and leasing support?

Evidence: Which source documents prove the facts? Include dates.

Terms: Where do equipment loan, lease, and residual value appear, and what does each change?

Stress-test and decision record

Stress test: Which assumption is most fragile, and what happens if it fails?

Decision record: What is the next action, who owns it, and when will it be reviewed?

My recorded status

☐ Proceed ☐ Revise ☐ Compare ☐ Seek qualified review ☐ Stop

KNOWLEDGE CHECK

Confirm your understanding.

1. State the central teaching in your own words.

2. How do equipment loan and lease work together?

3. What evidence is strong enough to use?

4. What would make the plan pause?

5. What belongs in the finished assignment?

ANSWER GUIDE

Compare reasoning, not just wording.

1. State the central teaching in your own words.

Equipment ownership, leasing, and vendor arrangements differ in upfront cash, tax treatment, maintenance, residual value, liens, flexibility, and end-of-term conditions.

2. How do equipment loan and lease work together?

Define each, locate both in source material, and explain their combined effect on the decision.

3. What evidence is strong enough to use?

Current, relevant, traceable information from an agreement, statement, official source, operating record, or qualified professional.

4. What would make the plan pause?

A missing governing fact, unsupported claim, unmanageable stress case, or inability to explain the responsibility attached to residual value.

5. What belongs in the finished assignment?

Purpose, sources, term definitions, comparison or calculation, difficult-case result, unanswered questions, responsible owner, and review date.

Education-only boundary

This resource provides general education. It does not submit applications, negotiate with providers, handle customer funds, promise outcomes, or replace individualized guidance from an appropriately qualified professional.