

SIMPLE INTEREST

①

Calculate the amount that £2500 will become, if it is invested for 4 years at 6% per annum **simple** interest.

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②

(a) Harold invests £850 at 8% p.a. simple interest. Calculate the total amount of money he has at the end of three years.

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COMPOUND INTEREST

③

Calculate, to the nearest penny, the compound interest earned when £800 is invested for 3 years at 6% per annum.

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④

A building society offers a compound interest rate of 4% payable every six months.

(a) Jenny invests £100 in the building society. How much money does she have at the end of one year?

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Susan invests £1500 in an account for 3 years at 8% per annum **compound** interest. Calculate the total amount in the account at the end of the three years. Give your answer correct to the nearest penny.

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COMPOUND DEPRICIATION

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A business declares that its office equipment depreciates at the rate of 15% of its value at the beginning of each year. Find, to the nearest £100, the value of its office equipment at the end of 3 years of depreciation, if its value at the beginning of the period was £20 000.

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Three years ago a car was bought for £8000. Each year the car's value depreciates by 12% of its value at the start of that year. Calculate how much the car is worth today.

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Every year, an item of furniture depreciates by 15% of its value at the start of that year. An item of furniture is bought for £3000. How much will it be worth in 3 years time?

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