SUVA SANGAM COLLEGE

YEAR 12

MATHEMATICS

WORKSHEET 1

Strand 1	Social Mathematics
Sub-Strand	1.1 Buying on credit
Content Learning Outcome	• Calculate the cost of credit. • State the advantages of early repayments
Reference from Text	Pg. 2 to 7

Questions

No.	**CONCEPT IN BRIEF**: **Credit** is borrowing money or buying goods and paying for them at a later date. In order to calculate the cost of credit we need to calculate the amount deposit, total installments and interest. Total loan amount = Cash price – Deposit Total amount = (Loan + interest) + Deposit
1.	A home theatre system costs $2500. Abdul pays a deposit of $500 and takes a loan to settle the balance over 2 years in 24 equal instalments. The interest on the loan is 15% per annum simple interest on a hire purchase loan. a. What is the total loan amount. b. How much did Abdul pay for the home theatre system altogether?
	CONCEPT IN BRIEF: Total Hire Purchase Price = Deposit + Total Monthly Installment Deposit = % of cash price Monthly installment = installments x no. of months
2.	A new TV costs $999 cash. It is available on hire purchase by paying a deposit of 15% followed by instalments of $55.85 for 2 years. Calculate the total hire purchase price.
	CONCEPT IN BRIEF: Total Hire Purchase Price = Deposit + Total Monthly Installment Deposit = % of cash price Monthly installment = installments x no. of months

3.	Priya wants to buy a washing machine. The two options available to her are:
	
	1. Cash Sale $2000
	   $0 Deposit
	   Instalment: $120 monthly for 2 yrs
	
	2. Cash Sale $2000
	   25% Deposit
	   Instalment: $85 monthly for 2 yrs
	
	Which option is better? Explain your answer