Finance: Growth & Decay (Grade 11)

WORKSHEET

Name: ..... Class: .....

Date: .....

MARK ____ / 38

Answer all questions. Show all your working — marks are awarded for method as well as the final answer.

1 R15 000 is invested at 8% p.a. compounded annually. Calculate the value after 5 years. **(3)**

2 R15 000 is invested at 8% p.a. compounded monthly. Calculate the value after 5 years. **(3)**

3 A fridge has a cash price of R9 200. On hire purchase a 20% deposit is paid and the balance is repaid over 2 years at 14% p.a. simple interest. Calculate the TOTAL amount paid. *(hire purchase revision)* **(4)**

4 How much MORE than its cash price does that fridge cost on hire purchase? *(hire purchase revision)* **(2)**

5 A car worth R240 000 depreciates at 15% p.a. on a straight line. Calculate its value after 4 years. **(3)**

6 A car worth R240 000 depreciates at 15% p.a. on a reducing balance. Calculate its value after 4 years. **(3)**

7 Convert 8% p.a. compounded monthly to an effective annual rate. **(3)**

8 A loaf of bread costs R18. If inflation is 6% p.a., what will it cost in 8 years? **(3)**

9 R50 000 grows to R80 000 in 6 years at compound interest, compounded annually. Calculate the annual interest rate. (4)

10 State the difference between a nominal and an effective interest rate. (2)

11 The rate moves from R18,20 to R19,60 to the dollar. Has the rand strengthened or weakened, and what happens to the price of imported goods? (2)

12 A camera costs $340. Calculate its cost in rands at R18,75 to the dollar, and then at R20,10 to the dollar. (3)

13 Explain why the petrol price can rise in South Africa even when the international oil price has not changed. (3)

TOTAL: 38 marks

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