Name_____ Date_____

Hire Purchase 1

Cash Purchase - paying for something completely and at once (You may pay with cash/money, cheque, debit card, credit card etc.)

Hire Purchase - paying for something in parts
A down payment or deposit is first paid.
The balance is then paid in parts (called instalments), usually monthly or weekly.
N.B. When you buy something by hire purchase you usually pay ***more*** than if you buy it cash.

1) Mom buys a smart tv on hire purchase. First she pays a deposit of $200, followed by 12 monthly instalments of $50 each. How much money does Mom pay for the tv? $_____

2) Mom buys a bed on hire purchase. First she pays a deposit of $300, followed by 12 monthly instalments of $60 each. How much money does Mom pay for the bed? $_____

3) Dad wants to buy a fridge. He may purchase it cash for $700 or he may buy it on hire purchase by making a down payment of $400 followed by 8 monthly instalments of $75 each.

a) How much will the fridge cost on hire purchase? $_____
b) How much money is saved by buying it cash instead of on hire purchase? $_____

4) Dad wants to buy a lawn mower. He may purchase it cash for $800 or he may buy it on hire purchase by making a down payment of $200 followed by 8 monthly instalments of $90 each.

a) How much will the lawn mower cost on hire purchase? $_____
b) How much money is saved by buying it cash instead of on hire purchase? $_____

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5) The hire purchase price of a table is $820. Mark buys the table by making a down payment of $100 followed by 12 monthly instalments. How much money is each instalment? $_____

6) The hire purchase price of a chair is $580. Mark buys the chair by making a down payment of $100 followed by 12 monthly instalments. How much money is each instalment? $_____

7) The hire purchase price of a stove is $900. A customer buys the stove by making a deposit of 10% followed by 10 monthly instalments.

a) How much money was the deposit? $_____
b) How much money was each instalment? $_____

8) The hire purchase price of a freezer is $500. A customer buys the freezer by making a deposit of 10% followed by 10 monthly instalments.

a) How much money was the deposit? $_____
b) How much money was each instalment? $_____

9) The hire purchase price of a bookcase is $1110. A customer pays for the bookcase by making a down payment followed by 24 instalments of $40 each. How much money was the down payment? $_____

10) The hire purchase price of a cupboard is $540. A customer pays for the bookcase by making a down payment followed by 12 instalments of $25 each. How much money was the down payment? $_____

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