Hire Purchase

1)

CASH PRICE $1220

Payment Plans

Plan A

$120 + 12 monthly payments of $114 each

Plan B

Bank loan of $1220 for 1 year @ 18% p.a. simple interest

Jayla decided to purchase the refrigerator using **Plan A.**

(a) (i) Calculate the TOTAL monthly payments using **Plan A**.

=

(ii) Calcualte the total cost of the refrigerator using **Plan A**.

=

Michael decided to purchase the frige using **Plan B**

Calculate:

(b) (i) Calculate the simple interest on the loan. (use the decimal method)

=

(ii) the total cost of the refridgerator using **Plan B**.

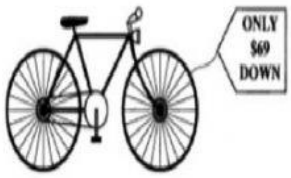
=

© Which Plan, (**A** or **B**) is a better deal ?

(d) How much would Michael would have saved by paying cash ?

=

2) The cash price of a bicycle is $ 320 . It can be bought on Hire Purchase by making a deposit of $69 and 10 monthly payment of $28.50 each



Cash Price $ 320

or

Hire Purchae Plan $69 deposit + 10 monthly payments of $28.50

Calculate :

(a) the TOTAL monthly payments,

=

(b) the total cost of the bicycle using the Hire Purchase Plan,

=

© How many would be saved by paying cash ?

=