

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? \$ \_\_\_\_\_

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 cupboard by making a down payment followed by 12 instalments of \$25 each. How much money was the down payment? \$\_\_\_\_\_

