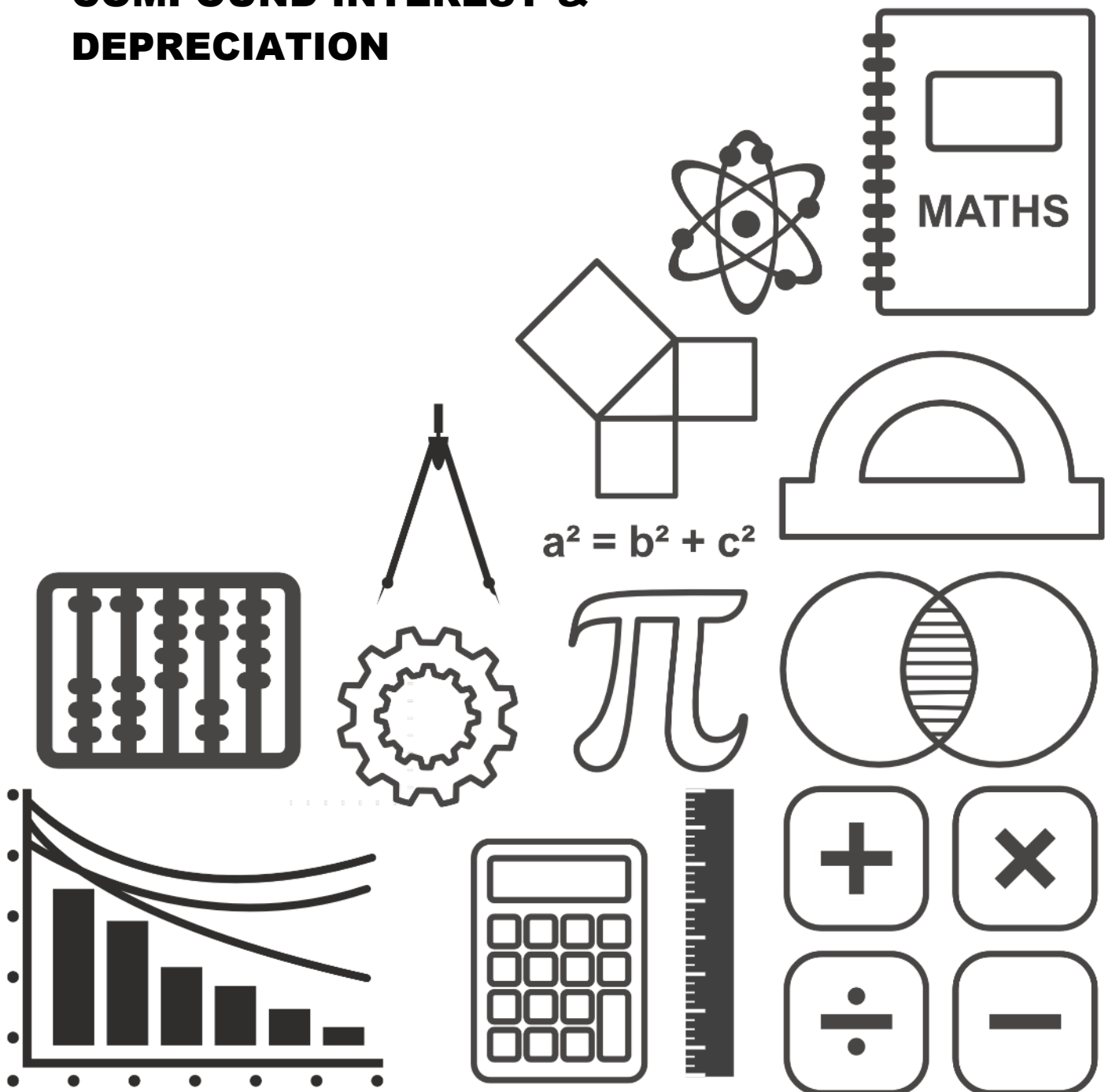


# MATHSDIY

## GCSE TOPIC BOOKLET COMPOUND INTEREST & DEPRECIATION



1. Mal invests £5500 for 2 years at 6% per annum compound interest. What is the value of his investment after 2 years?

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2. Judith invests £600 for 2 years at 4% per annum compound interest. What is the value of her investment after 2 years?

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3. Theo invests £800 for 3 years at 5% per annum compound interest. How much money is in the account after 3 years?

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4. The garden centre buys a delivery van at a cost of £6500.  
Each year, the value of the van depreciates by 12% of its value at the start of the year.  
At the end of two years by how much has the value of the van depreciated?

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[4]

5. Michael bought a scooter for £800 on 1st January 2008.  
Every year the value of the scooter depreciates by 5% of its value at the start of the year.  
Find the value of the scooter on 1st January 2010.

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6. Terry invests £600 for 2 years at 4% per annum compound interest. How much money is in the account after 2 years?

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7. Find the compound interest, to the nearest penny, when £6000 is invested for 3 years at 4% per annum.

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[4]

8. A business declares that, in each year, its office equipment depreciates at the rate of 18% of its value at the beginning of that year. Find, to the nearest £100, the value of its office equipment at the end of 3 years of depreciation, if its value at the beginning of the period was £35 000.

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9. Sally invests £2500 for 2 years at 7% per annum compound interest. What is the value of her investment after 2 years?

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10. Aaron bought a bike for £600 on 1st February 2010.  
Every year the value of the bike depreciates by 12% of its value at the start of the year.  
Find the value of the bike on 1st February 2012.

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11. Kim bought a scooter for £1600 on 1<sup>st</sup> January 2010.  
Every year the value of the scooter depreciates by 8% of its value at the start of the year.  
Find the value of the scooter on 1<sup>st</sup> January 2012.

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