Practice worksheet | Investing and borrowing

Credit costs

Name: _____ Date: _____

6 questions | 12 marks

1. Cash price AUD 1500; deposit AUD 300 and 18 payments of AUD 75. Find total paid and extra cost. [2 marks]

2. AUD 2400 is borrowed at 6% flat simple interest for 3 years. Find interest. [2 marks]

3. Total repayment AUD 3780 is split into 36 equal payments. Find each payment. [2 marks]

4. An advertised offer is 24 payments of AUD 48 plus AUD 40 fee for a cash-price AUD 1000 item. Find extra cost. [2 marks]

5. A simplified credit balance of AUD 800 incurs 1.5% interest for a month before a AUD 100 repayment. Find the new balance. [2 marks]

6. Why is an 8% flat rate not directly comparable with 8% reducing balance? [2 marks]