LJE   GRADE 10 MATHS – FINANCIAL   MATHS

1. **Simple interest and linear decrease**   :

Formulas: **Simple Interest**: …………………………….…   **Straight line decrease**: ……………………………….
Eg: John invests 10 000 for 5 years at a SI rate of 9,5% p.a.   Eg: John's computer that cost R10 000 decreases on a straight
How much does he have in his account at the end of 5 yrs ?   line basis at a rate of 6,5% p.a. How much is it worth after 5 yrs?

2. **Compound increase and reducing balance decrease** :

Formulas: **Compound Increase**: …………………………….…..   **Reducing Balance decrease**: ………………………….
Eg: John invests R10 000 at a compound interest rate of 9,5% p.a.   Eg: John's computer that costs R10 000. It decreases on a
How much does he have in his account at the end of 5 yrs ?   reducing balance at a rate of 6,5% p.a. How much is it
                                                                        worth after 5 yrs?

NB: **Hire Purchase is** : ……………………… Interest   **Inflation is** ………………………… Interest
Eg: Mr X buys machinery for R14 000. He pays   Eg: Mr X wants to buys machinery for R14 000. He decides to
a 10% deposit and then pays the rest off over 4 years on a   wait 3 years until he can afford to pay cash for the items.
Hire purchase agreement at a rate of 16% p.a.   The inflation rate is 6,5% p.a. How much will the
What are his monthly instalments ?   machinery cost in 3 years time ?

NB: Be able to find A, P, i or n.
How much do you need to invest at 9% p.a. simple interest   How much do you need to invest at 9% p.a. compound interest
in order to have R10 000 after 4 years ?   in order to have R10 000 after 4 years ?

At what simple interest rate do you need to invest an   At what compound interest rate do you need to invest an
amount For 3 years in order for the amount to double ?   amount For 3 years in order for the amount to double ?

Do p266 ex12.1 no's 3,5,7,8 & p267 ex12.2 nos 1– 4 Hire Purchase p269 ex12.3 nos 1,2 & 5   Inflation p273 ex12.5 nos 1-3 &
p275 ex12.6 1,3,6