

Worksheet 2015-9EJ-00003(1) Financial Mathematics – Compound interest

[Where necessary, round off to 2 decimals.]

(1) Use a formula and calculate the compound interest and the final amount in each of the following cases:

(a) R34 000 is invested for 3 years at 8,2% per annum.

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(b) R780 is invested for 2 years at 11% per annum.

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(2) Sandra borrows R40 000 and agrees to repay the full amount after 6 years.

The interest is calculated as compound interest at 14% per annum. Calculate the total amount, including interest, that she has to repay after the 6 years.

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- (3) You invest R7 000 at 9,8% compound interest, calculated annually. After four years, you withdraw the full amount. How much interest did you earn?

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- (4) Carlo invests R15 000 for three years at 5,5% compound interest, calculated annually. After three years he invests the full returns for a further 2 years at 6,2% compound interest, calculated annually. Calculate the total amount that Carlo will have available after the 5 years.

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