

08	15	<p>Ali is buying a speedboat at Betty's Boats.</p> <p>What is the amount of interest Ali will have to pay if he chooses to buy the boat on terms?</p> <p>(A) \$3200 (B) \$5600</p> <p>(C) \$19200 (D) \$21600</p>	<div style="border: 1px dashed black; padding: 5px;"> <p>Betty's Boats</p> <p>Cash price \$16 000</p> <p>OR</p> <p>Terms 15% deposit plus \$320 per month for 5 years</p> </div>	1
<p>B</p> <p style="margin-left: 40px;">Deposit = 15% of 16 000 = $0.15 \times 16\ 000$ = 2400</p> <p style="margin-left: 40px;">Total repayments = $320 \times 12 \times 5$ = 19 200</p> <p style="margin-left: 40px;">Total cost of boat = $2400 + 19\ 200$ = 21 600</p> <p style="margin-left: 40px;">Interest = $21\ 600 - 16\ 000$ = 5600</p> <p style="text-align: right; margin-right: 40px;">\therefore Ali was charged \$5600 interest</p>				<p>State Mean: 0.52</p>

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