

Interleaved: interest and depreciation



1

£2,000 is invested at 3% simple interest per year. How much is in the account after 4 years?

Which method? **Simple interest**

Compound interest Depreciation

*the same interest each year:
 $2000 \times 0.03 \times 4 = 240$*

Answer £2,240

2

£5,000 is invested at 4% compound interest per year. Find its value after 3 years.

Which method? **Simple interest**

Compound interest Depreciation

Answer _____

3

A van is bought for £18,000. It loses 15% of its value each year. Find its value after 2 years.

Which method? **Simple interest**

Compound interest Depreciation

Answer _____

4

Ravi borrows £1,200 at 6% simple interest per year. How much interest does he owe after 5 years?

Which method? **Simple interest**

Compound interest Depreciation

Answer _____

5

A laptop is worth £900. Its value goes down by 20% each year. What is it worth after 3 years?

Which method? **Simple interest**

Compound interest Depreciation

Answer _____

6

£750 is saved at 2.5% compound interest per year. How much is there after 6 years? Give your answer to the nearest penny.

Which method? **Simple interest**

Compound interest Depreciation

Answer _____

7

£3,000 is invested at 3.5% simple interest per year. How much is in the account after 3 years?

Which method? **Simple interest**

Compound interest Depreciation

Answer _____

8

A house worth £240,000 goes up in value by 5% each year. Find its value after 4 years.

Which method? **Simple interest**

Compound interest Depreciation

Answer _____

Interleaved: interest and depreciation *further practice*



9

A motorbike loses 12% of its value each year. It is worth £8,000 now. What will it be worth in 5 years? Give your answer to the nearest penny.

Answer _____

10

£400 earns 1.5% compound interest per year. How much interest has it earned after 10 years? Give your answer to the nearest penny.

Answer _____

11

A bond pays 4% simple interest per year on £6,500. How much interest does it pay in 7 years?

Answer _____

12

A painting worth £1,500 goes up in value by 8% each year. After how many whole years is it first worth more than £2,000?

Answer _____

13

A phone bought for £650 loses 30% of its value in the first year and 20% each year after that. What is it worth after 3 years?

Answer _____

14

Ella invests £2,400 at simple interest. After 4 years she has earned £288 interest. What is the rate of interest per year?

Answer _____

15

A car loses 18% of its value each year. After 2 years it is worth £13,448. How much did it cost new?

Answer _____

16

£1,000 is invested for 2 years at 5% per year. Account A pays simple interest. Account B pays compound interest. Ben says they pay the same. Explain why he is wrong, and find the difference.

Answer _____