MAEM30S Unit 1: Investing Money Lesson 8

**Worksheet: Deferred Payments and Installment Plans**

1. Charlie’s Save-A-Lot in Yellowknife, NT is offering a chance to “save money”. If you buy a bedroom suite consisting of a bed, a dresser, and two-night tables you do not have to pay for one full year. You will have to pay and administration fee of $45 per item, plus 5% GST. The suite costs $1,500 plus tax.
2. What is the total administration fee?
3. What is the percent difference to cash price?
4. Jake went shopping at Trix, Vernon, BC’s best skateboarding and snowboarding store. He found the ultimate snowboard for $400 plus tax. He does not have $400. Trix offers an installment plan to its customers, $120 down and $64 per month for six months.
5. Calculate the cash selling price of the snowboard.
6. Calculate the installment price of the snowboard.
7. Calculate the finance charge ($).
8. Nixes Furniture Store in Steinbach, MB is having a sale. There will be no down payment and no interest for six months. Monthly interest of 9% per annum is billed from the date of purchase unless you pay in full within the first six months. The minimum purchase is $399.99.
9. If you buy a kitchen set for $749 plus taxes and pay the entire bill in five months, how much will you pay?
10. If you buy a kitchen set for $749 plus taxes and pay the full price at the end of the year, how much will you pay:
11. Using simple interest? (I=PRT)
12. Compounded monthly? $A = P\left.\left(1 + \frac{r}{n}\right.\right)^{nt}$
13. Compounded daily? $A = P\left.\left(1 + \frac{r}{n}\right.\right)^{nt}$
14. Carr’s House in Summerside, PE has announced that if you buy any television set in stock, you will not have to pay for six months. If you take them up on this deal, the cost to you will only be $789 plus applicable taxes. If you decide to pay immediately you will pay $729 plus applicable taxes.
15. What is the difference in price?
16. What is the percent difference compared to the cash price?

**Installment Questions**

1. Jake went shopping in Selkirk’s best skateboarding and snowboarding shop. He found the ultimate snowboard for $400 plus tax. But he does not have that money. The shop offers him an installment plan to its customers, $120 down and $65 per month for six months.
2. Calculate the cash selling price of the snowboard.
3. Calculate the installment price of the snowboard.
4. Calculate the finance charge.
5. Calculate the percent difference.
6. Brandee is shopping for a leather jacket. She has found the perfect jacket at Leather Hideaway in Winnipeg, MB. It costs $390 plus taxes. The manager of Leather Hideaway has told her that today they are offering their customers the option to buy using the installment plan. The price of this jacket on the installment plan is $200 down with $80 per month for 6 months.
7. Calculate the cash selling price of the jacket.
8. Calculate the installment price of the jacket.
9. Calculate the finance charge.
10. Calculate the percent difference