

## Exercise answers

1. A magazine has 4600 annual subscriptions. The owner wants that number to rise by 3% next year and 4.5% the year after. What is the target number of subscriptions after two years (rounded to nearest 50)?

$$4600 \times 1.03 \times 1.045 = 4950$$

2. A pay deal is settled as a 2.6% increase per annum, for three years. Bobbie's current annual salary is £27325. Calculate his salary in after three years, to the nearest pound.

$$27325 \times 1.026^3 = £259512$$

3. The value of a £150000 house increases by 5% in the first year, 2.5% in the second year and 4% in the third. How much is it worth after three years?

$$150000 \times 1.05 \times 1.025 \times 1.04 = £167895$$

4. A car was purchased for £15650. Two years later it was worth £9875.
- a. What is the current value as a percentage of the original purchase price? (Write your answer to 1 decimal place.)

$$\frac{9785}{15650} \times 100 = 63.1\%$$

- b. Work out the car's depreciation as a percentage of the purchase price. (Write your answer to 1 decimal place.)

$$\frac{15650 - 9875}{15650} \times 100 = 36.9\%$$