

Q1. (2018)

- 7 Investment A Save £150 per month for 2 years.
 2.5% interest is added to the total amount saved.
- Investment B Invest £3500
 Compound interest is added at 3% per year.

After 2 years, how much **more** is investment B worth than investment A?

[4 marks]

Answer £ _____

Q2. (2019)

- 10 Mia wants to borrow £6000 and repay it, with interest, after two years.
 She sees two offers for loans.

Offer 1 Compound interest 3% per year	Offer 2 Compound interest First year 1% Second year 5%
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Mia says,

"I will pay back the same amount because the average of 1% and 5% is 3%"

Is she correct?

You **must** show your working.

[3 marks]