

Grade 9

WEEK 12

Lesson # 2

Topic: Consumer Arithmetic

Sub-Topic: Hire purchase

Objectives:

Students will:

- ✓ Understand that hire purchase involves interest;
- ✓ Use previous knowledge to solve related problems;

Content:

A bicycle has a cash price of \$319.95. It can be bought on hire purchase with a deposit of \$69 and ten monthly installments of \$28.50 each.

- What is the total hire purchase price of the bicycle?
- Find the difference between the hire purchase price and the cost price of the bicycle.
- Express your answer in (ii) as a percentage of the cash price.

$$\begin{array}{l|l|l} \text{(i)} & 69 + 10 \times 28.50 & \text{(ii)} & 354 - 319.95 & \text{(iii)} & \frac{34.05}{319.95} \times \frac{100}{1} \\ & = 69 + 285 & & = \$34.05 & & = \\ & = \$354 & & & & \end{array}$$



Reference:

<https://www.bing.com/images/search?q=how+to+calculate+hire+purchase+price&form=HDRSC2&first=1&scenario=ImageBasicHover>

Exercise:

== Exercise 5j ==

1. The retail price of a television set is \$4 500. If the buyer pays cash, the price is 10% below the retail price. If the set is bought on hire purchase, the buyer pays a downpayment of \$675 and 24 monthly instalments of \$212.50.
 - (a) Determine the difference between the hire purchase price and the cash price.
 - (b) Calculate this difference as a percentage of the retail price.
2. (a) A computer can be bought on hire purchase by making a deposit of \$1 360 and 40 monthly instalments of \$442 each. Calculate the hire purchase price of the computer.
 - (b) The actual marked price of the computer is \$15 600. This includes a sales tax of 12.5%. Calculate the selling price of the computer if no sales tax is included.

3. (a) A refrigerator can be bought on hire purchase by making a deposit of \$500 and 18 monthly instalments of \$56.50 each. Calculate the hire purchase cost of the refrigerator.
 - (b) The actual marked price of the refrigerator is \$1 260. This includes a sales tax of 20%. Calculate the selling price of the refrigerator if no sales tax is included.
4. A video game set can be bought on hire purchase by making a deposit of \$190 and 12 monthly instalments of \$171 each. Calculate the hire purchase cost of the video game set. The actual marked price of the video game set is \$1 900. This includes a sales tax of 15%. Calculate the selling price of the video game set if no sales tax is included.
5. The marked price of a freezer is \$3 000.00. There is a discount of 15% for cash payment. To obtain the freezer on hire purchase, a deposit of \$595.00 and 18 monthly instalments of \$159.50 each are required. Calculate:
 - (a) the cash price
 - (b) the total amount paid if bought on hire purchase
 - (c) the difference between the cash price and the hire purchase price as a percentage of the marked price.
6. The marked price of a car is \$49 500. A person can pay a deposit of 30% and interest at 12% per annum is charged on the outstanding balance. The total amount payable is to be paid in $2\frac{1}{2}$ years. Calculate:
 - (a) the amount of each monthly instalment
 - (b) the hire purchase price of the car.
7. The retail price of a television set is \$2 500. If the buyer pay cash, the price is 10% below the retail price. If the set is bought on hire purchase, the buyer pays a downpayment of \$500 and 18 monthly instalments of \$150.
 - (a) Determine the difference between the hire purchase price and the cash price.

Solution

1. (a) \$5775. \$4050. \$1725.
(b) 38.3%
2. (a) \$19040 (b) 13866.67
3. (a) \$1517 (b) \$1050
4. \$2242 \$1652.17
5. (a) \$2550 (b) \$3466
(c) 30.5%
6. (a) \$1501.50 (b) \$59895
7. (a) \$3200. \$2250. \$950.

Reference:

<https://www.bing.com/images/search?q=how+to+calculate+hire+purchase+price&form=HDRSC2&first=1&scenario=ImageBasicHover>