



CAMI Mathematics: Grade 10

GRADE 10 CAPS Curriculum

10.3 Hire purchase

1. Sandra buys a R4 000 television and pays R2 000 deposit. The rest is payable in 8 equal monthly payments. If the flat rate of interest charged is 7% p.a. what is the total amount paid for the item?
2. A used car dealer offers a used car for R12 000 deposit and the rest payable in 20 equal installments. If the flat rate of interest is 12%, calculate each monthly installment on a R52 000 car.
3. Calculate the flat rate of interest on the following purchase.

Selling price	R6160
Deposit	R1300
Monthly instalments	R337,05
Months	17

4. When purchasing a new car, all non-tax based individuals are required to pay a minimum deposit of 10% of the purchase price. If the purchase price is R63 000 and the extras R8 000, what will the monthly installments be over a 12 month period if the flat rate is 12%



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MEMO [2.6.8.5]

1. Purchase price = Price – Deposit
= R4 000 – R2 000
= R2 000

Repayment amount: $A = P(1 + i.n)$

$$A = R2\,000\left(1 + 0,07 \cdot \frac{8}{12}\right)$$

$$A = R2\,093,33$$

Total cost = Cost + Deposit
= R2 093,33 + R2 000
= R4 093,33

2. Purchase price = Price – Deposit
= R52 000 – R12 000
= R40 000

Repayment Cost: $A = P(1 + i.n)$

$$A = R40\,000\left(1 + 0,12 \cdot \frac{20}{12}\right)$$

$$A = R48\,000$$

Monthly installments = Repayment Cost ÷ Number of installments
= R48 000 ÷ 20
= R2 400

3. Purchase price = Price – Deposit
= R6 160 – R1 300
= R4 860

Total payment = Monthly installment × Months
= R337,05 × 17
= R5 729,85

Rate: $A = P(1 + i.n)$

$$R5\,729,85 = R4\,860\left(1 + i \cdot \frac{17}{12}\right)$$

$$i = 0,1263$$

$$r = 12.63\%$$



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4. Purchase price = Price + Extras – deposit
= R63 000 + R8 000 – R6 300
= R64 700

Total cost: $A = P(1 + i.n)$
 $A = R64\,700(1 + 0,12.1)$
 $A = R72\,646$

Monthly installments = Total cost ÷ Number of payments
= R72 464 ÷ 12
= R6 038,67

