Practice worksheet | Financial mathematics

Depreciation

Name: _____ Date: _____

6 questions | 14 marks

1. Find the value of a 5000-dollar model losing 8% annually after 3 years. [2 marks]

2. A device loses 90 dollars annually from 720 dollars. Find its value after 4 years. [2 marks]

3. For $V = 18000(0.84)^t$, state the initial value and annual percentage loss. [2 marks]

4. A value halves every 3 years from 6400 dollars. Find its value after 6 years. [2 marks]

5. Compare year-2 values from 1000 dollars with fixed loss 100 annually versus 10% reducing-balance loss. [3 marks]

6. Give a sensible nonnegative time interval for $V = 1500 - 250t$, with t in years. [3 marks]