Use a future-value rule for an investment, loan or depreciating asset.

Key skills | Free preview

Learning target: Use a future-value rule for an investment, loan or depreciating asset.

Depreciation methods represent different assumptions about how value is lost. A flat-rate rule subtracts a fixed time-based amount; a unit-cost rule follows use; a reducing-balance rule subtracts a percentage of the current value. Tables and graphs reveal how those assumptions change outcomes. Restrict any model before it implies an invalid asset value.

Try the mathematics

Task 1. A $12000 machine is modelled by (A) loss of $1500 yearly, (B) loss of $0.60 per item with 2000 items yearly, or (C) loss of 15% of its current value yearly. Give recurrences and values at years 0,1,2,3.

Continue with the full worksheet

The complete resource has 2 focused task sets and substantive worked solutions. Use an exercise book or print the A4 worksheet. This preview shows the first task without its full solution.

Find this resource:
https://resources.aspiretopowerlearning.com.au/vce/skills/aspire-internal-gm-u34-o1-aos2-finance-ks-03/

Study-design reference

VCE Mathematics Study Design 2023-2027, version 1.1 (November 2022). General Mathematics; Units 3–4; Outcome 1; Key skills; Recursion and financial modelling; bullet 3; p. 91.

The learning target is a concise paraphrase. Aspire reference: aspire-internal-gm-u34-o1-aos2-finance-ks-03. This is an internal identifier, not an official VCAA code.

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