Recognise the standard models and where they can be applied.

Key knowledge | Free preview

Learning target: Recognise the standard models and where they can be applied.

Financial investigations become more informative when successive models change one assumption at a time. A zero-interest baseline, a constant-rate recurrence and a changing-rate recurrence reveal different costs. Record payment timing and stop the model at a cleared balance. Compare calculated outcomes while explaining which assumptions would need evidence before applying the model to a real agreement.

Try the mathematics

Task 1. A $1000 loan uses usual end-period payments of $260. Compare three models: no interest; 1% each period; 1% for two periods then 2%. Construct balances until repayment, reducing the final payment to the amount owed.

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-o2-cross-kk-02/

Study-design reference

VCE Mathematics Study Design 2023-2027, version 1.1 (November 2022). General Mathematics; Units 3–4; Outcome 2; Key knowledge; bullet 2; p. 92.

The learning target is a concise paraphrase. Aspire reference: aspire-internal-gm-u34-o2-cross-kk-02. This is an internal identifier, not an official VCAA code.

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