# Mini-task

Angus was left $2000 by his grandfather, and the money is deposited in a non-interest-bearing account. His mum says she will add 5% of the total in the bank at the end of each year as long as he doesn't withdraw any of it (compound interest). His father says he has a better offer. If Angus withdraws the money after one year, he will add 5%. If he withdraws it after two years he will add 10%, after three years 15%, etc. Angus has to choose between his mother's and his father's offers.

- Complete the table below to show how much Angus would have after one, two, three or four years.

| Money withdrawn at the end of | Mum's scheme ($) | Dad's scheme ($) |
|---|---|---|
| one year | | |
| two years | | |
| three years | | |
| four years | | |

- Which offer would you recommend that Angus accepts? Explain your answer.

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Angus accepts his dad's offer, and withdraws the money after four years.
- He uses some to buy a good watch. The normal price is $699, but he buys it when there is a '25% off' sale.
- He also buys a new cricket bat (his grandfather loved cricket too), which costs him $399 plus GST.
- He buys a tablet. Its normal GST-inclusive price is $499 but the shop has a 'we pay the GST' sale.
- He keeps $500 aside to pay for a sports trip.

Use the space below to calculate how much of his money he will have left to contribute to his student fees.

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