

7 Lillian and Graham are co-owners of a small company.

Lillian has invested \$55 000 in the company.

Graham has invested \$25 000 in the company.

This year Lillian receives 20% of the profit made by the company in 2020

The rest of the profit made by the company in 2020 is shared between Lillian and Graham in the same proportions as the amounts of money they invested in the company.

- (a) Show that this year Lillian receives, in total, 75% of the profit made by the company in 2020

(2)

In 2020, the company made a profit of \$2000

Lillian puts all the money that she receives from the profit made by the company in 2020 in an account that pays interest at a fixed rate of 4.8% per year.

- (b) Calculate the interest she receives in one year.

(2)

Graham goes to a travel agent to change his share of the profit from dollars (\$) into pounds (£).

The table gives information about the exchange rates that are available.

Exchange rate
1 euro = \$1.20
1 euro = £x
\$1 = £0.76

Graham has to decide whether to

- (i) change his dollars into euros **and** then change the euros into pounds

or

- (ii) change his dollars straight into pounds.

He calculates that if he chooses to do (i) he will receive £20 more than if he chooses to do (ii)

- (c) Calculate the value of x .

(5)

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(Total for Question 7 is 9 marks)

