QUESTION 1.2   *Financial penalty applies in part (a)*

(a) $I = 1200\left(1 + \dfrac{7.2}{600}\right)^{5\times12} - 1200$ *(M1)(A1)*

(FP) $I = 518.15$ Euros   *(A1)*   *(C3)*

> **Notes:** Award *(M1)* for substitution in the compound interest formula, *(A1)* for correct substitutions, *(A1)* for correct answer.
> If final amount found is 1718.15 and working shown award
> *(M1) (A1)(A0)*.

(b) $518.15 = \dfrac{1200 \times r \times 5}{100}$ *(M1)(A1)*(ft)

$r = 8.64\%$ *(% sign not required)*   *(A1)*(ft)   *(C3)*

> **Note:** Award *(M1)* for substitution in the simple interest formula, *(A1)*(ft) for correct substitution, *(A1)*(ft) for answer.