Compound Interest Ex 14.5 Q1

Answer :

$$\text{Value of the boat after two years} = P\left(1-\frac{R}{100}\right)^n$$

$$\Rightarrow 16,000\left(1-\frac{5}{100}\right)^2$$

$$= 16,000(0.95)^2$$

$$= 14,440$$

Thus, the value of the boat after two years will be Rs $14,440$.

Compound Interest Ex 14.5 Q2

Answer :

$$\text{Value of the machine after two years} = P\left(1-\frac{R}{100}\right)^n$$

$$\Rightarrow 100,000\left(1-\frac{10}{100}\right)^2$$

$$= 100,000(0.90)^2$$

$$= 81,000$$

Thus, the value of the machine after two years will be Rs $81,000$.

$$\text{Depreciation} = \text{Rs } 100,000 - \text{Rs } 81,000$$

$$= \text{Rs } 19,000$$

********** END **********