

✓

Question 30

Morris is considering changing cars. He currently hires a car for \$220 per week. However, he can now hire a similar car for only \$180 per week. If Morris decides to change cars, he must incur one-off administrative costs of \$520.

How long will it take for the savings in changing cars equal to the cost of administration?

220 /week to 180/week
We save \$40 but \$520 one-off payment
 $\$520 \div 40 = 13$ weeks

- ☐ 8 weeks
- ☐ 10 weeks
- ☐ 12 weeks
- ☐ 13 weeks
- ☐ 14 weeks



Correct answer:

13 weeks



Hint:

Saving per week = $220 - 180 = \$40$

$$\$520 \div \$40 = 13 \text{ weeks}$$

■

—