

Trail Bike

A company has a trail bike for sale at \$1750. The company allows a teenager a trade in of \$150 on an old motorcycle. How much would have to be repaid each month if the teenager takes out the loan over two years at 22% p.a. simple interest?

- (a) Discuss the changes in repayments if the interest rate, time of loan or trade in price were to change.
- (b) What would you do?

