1 The value of a house is £120 000

The value is expected to increase by 5% each year.

Work out the expected value after 4 years.

Give your answer to 2 significant figures.

You **must** show your working.

[4 marks]

120 000 × 1.05 = 126 000 (1)

126 000 × 1.05 = 132 300 (1)

132 300 × 1.05 = 138 915

138 915 × 1.05 = 145 860.75 (1)

≈ 150 000

Answer £ 150 000 (1)

2 House prices on a street increase by 5.1% each year.

Show that after 14 years the house prices on the street will be at least double.

[2 marks]

let house price be x.

After 14 years, $x \times (1.051)^{14}$ ✓ (1)

$x \times 2.006...$ ✓ (1)

$= 2x ....$