**NUMBER QUESTION**

Just over 5 years ago, Seaview College invested $250 000 it had raised, at a yearly interest rate of 8.75%, paid at the end of each year.

The money and interest were re-invested each year.

The government gives a 2 for 3 subsidy on money raised, ie the government will give $2 for every $3 the school raises.

The money is for extensions to the school gymnasium.

The extensions will cost three-quarters of a million dollars including GST (at 12.5%).

The building company involved will help the school by paying all the GST.

Will the school’s investment, plus interest, plus the subsidy, be enough to pay for the cost of the extensions?

**Show all your working on an overhead transparency. State what you are calculating at each step.**

**You may wish to plan your answer first on a separate piece of paper.**

**You need to ensure that each member of your group is able to explain the answer on the overhead.**

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The total amount available is equal to

the amount raised + interest earned + subsidy from Gov.

Cost excluding GST × 1.125 = Cost including GST

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