Formative assessment SO2

1. Which of the following two investments are the most lucrative?

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| R500 invested for 10 years at 14% simple interest per year |
| R500 invested for 10 years at 13% compound interest per year |
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1. Use the rule of 72 and calculate in how many years the buying power of your money will halve if the inflation rate is 6%. Calculate in how many years the value of income earning assets will double if the rate of inflation is 12%

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