

In the video, we saw that Sophie wanted to buy a computer that was advertised on television. The whole deal offered a 'fast' 380 MHz PC, a CD-ROM drive, a modem and a network card. The offer also included free internet access. Sophie was a little worried that she would never be able to afford it.

Sophie and Tye went to the shop to check it out. The cash price for the computer was \$3198. As Sophie didn't have cash, the shop offered her terms of 60 monthly payments of \$79.95. They also asked her to pay 10% of the cost of the computer as a deposit.

1. a) How much is the deposit that Sophie will have to pay?
b) How long is 60 months in years?
c) How much will Sophie pay altogether?
d) What is the total amount of interest charged?

2. Sophie and Tye decided to shop around. They found two other computer offers:

Max Baggi Computers offered a PC, CD-ROM drive, a modem and a printer for \$3800.

Timetravel Computers offered a PC, a printer, a CD-ROM drive for \$150 per month over 24 months with no deposit required.

Which computer deal is cheaper?

3. WATCH the section of the *Money Stuff* video where the three flatmates discuss the computer offer they see on TV. Why did Nik have a problem with Sophie buying a computer over 60 months? List his concerns.
4. DISCUSS: What's your opinion? Do you agree with Nik?