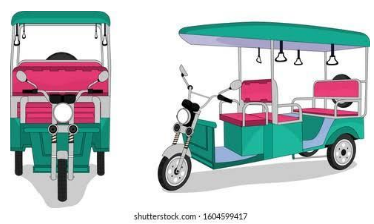
CASE STUDY

CHAPTER 7: COMPARING QUANTITIES

Subrata took a loan of ₹4,50,000 from a bank for 5 years at 8.7% rate of simple interest per annum. Each e-rickshaw costs him ₹1,87,500. Rest of the money, he gave as loan to Srinjay at 14% rate of simple interest per annum and told him to return the money after 4 years 8 months.

Subrata hired two people - Haren and Kanishk to drive the e- rickshaws on the road and told them that each one of them has to pay ₹225/day from their daily income, and rest of the income they could keep with themselves. He also promised that yearly maintenance cost of ₹20,000 for each e-rickshaw will be borne by him.



Now, answer the following questions with the help of the passage given above:

1. How much amount does Subrata have to pay to the bank after 5 years?
2. How much amount does Srinjay have to pay to Subrata at the end of the time period?
3. What will be the yearly income of Subrata from the 2 e-rickshaws (excluding the expenditure)?
4. What will be the total income of Subrata after 5 years from all the sources?
5. Will this business strategy of Subrata earn profit or will it cause loss for him? Calculate the profit or loss that will be gained by him.
6. Convert the profit or loss in percentage.