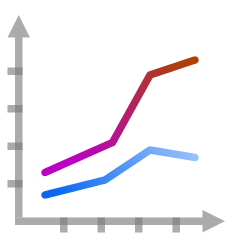
**Interest Calculations**

****

Recent CPI rates

Recent RPI rates

|  |  |
| --- | --- |
| **2012** | 3.2% |
| **2013** | 3.0% |
| **2014** | 2.4% |
| **2015** | 1.0% |
| **2016** | 1.8% |

|  |  |
| --- | --- |
| **2012** | 2.8% |
| **2013** | 2.6% |
| **2014** | 1.5% |
| **2015** | 0.0% |
| **2016** | 0.7% |

* **Look at the prices of goods in 2012**
* A loaf of white bread cost £1.24 in 2012
* A pint of lager cost £3.18 in 2012
* A kilo of apples cost £1.75 in 2012
* U**se either RPI or CPI to find out how much it would cost now.**

You can use this table to help.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Product** | **End of 2012** | **End of 2013** | **End of 2014** | **End of 2015** | **End of 2016** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**With each of your goods / services, what other considerations are there?**

**Name:**

**Analyse two impacts of an increase in interest rates on a business. (9 marks)**

**One impact is:**

**TIIB:**

**The impact it will have on a business is:**

**Another impact is:**

**TIIB:**

**The impact it will have on a business is:**