

**TOPIC**

Economics – Section VI – Question 4

**QUESTION**

My son bought a used car and wants to set aside money for maintenance costs. The maintenance cost is projected to be \$150 in the first year with an annual increase of \$50 each year after the first year. Assuming an interest rate of 5 percent, the money he must set aside now to keep the car running for 10 years most nearly is

- (A) \$650
- (B) \$2650
- (C) \$2741
- (D) \$3700

**CONTRIBUTOR**

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