Examiner only

10. *(a)* Ffion thinks that if interest is paid monthly then the AER% rate is always higher than the Gross annual % rate.

Explain why Ffion is correct. [1]

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(b) *Haygreen Building Society* offers customers a range of savings accounts.

(i) The Gross annual interest rate on the **Mega Plus** savings account is 4·8%, with the interest payable monthly.
Calculate the monthly interest rate payable on the **Mega Plus** savings account. [1]

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