

10. A building society is advertising the following savings scheme.

**SUPER SAVER**

Interest rate: 6% per annum  
Interest is paid to you every 4 months

The building society must tell customers what the Annual Equivalent Rate (AER) is on this savings scheme.

The formula used to calculate this AER is

$$AER = \left[ \left( 1 + \frac{R}{100N} \right)^N - 1 \right] \times 100$$

Where  $R$  is the percentage interest rate per annum shown in the advert,  
and  $N$  is the number of interest payments you receive in one year.

Calculate the AER on this Super Saver scheme.  
Give your answer correct to 2 decimal places.

[3]

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

