

	Monthly cost	Minutes	Texts	Data	Phone price	
12 month contracts	£20/month	500	5000	500MB	£370	Add to basks
24 month contracts	£20/month	250	5000	500MB	£185	Add to bask
E	£25/month	500	5000	500MB	£50	Add to bask
c	£30/month	500	5000	500MB	FREE	Add to bask
	£35/month	1000	5000	500MB	FREE	Add to bask
	£40/month	1500	5000	1GB	FREE	Add to bask

Choosing a mobile phone contract

Some contracts have a higher up-front cost for the phone, but a lower cost per month. Others charge little or nothing for the handset, but you pay more every month. We need to work out which contract would be the cheapest in the long run.

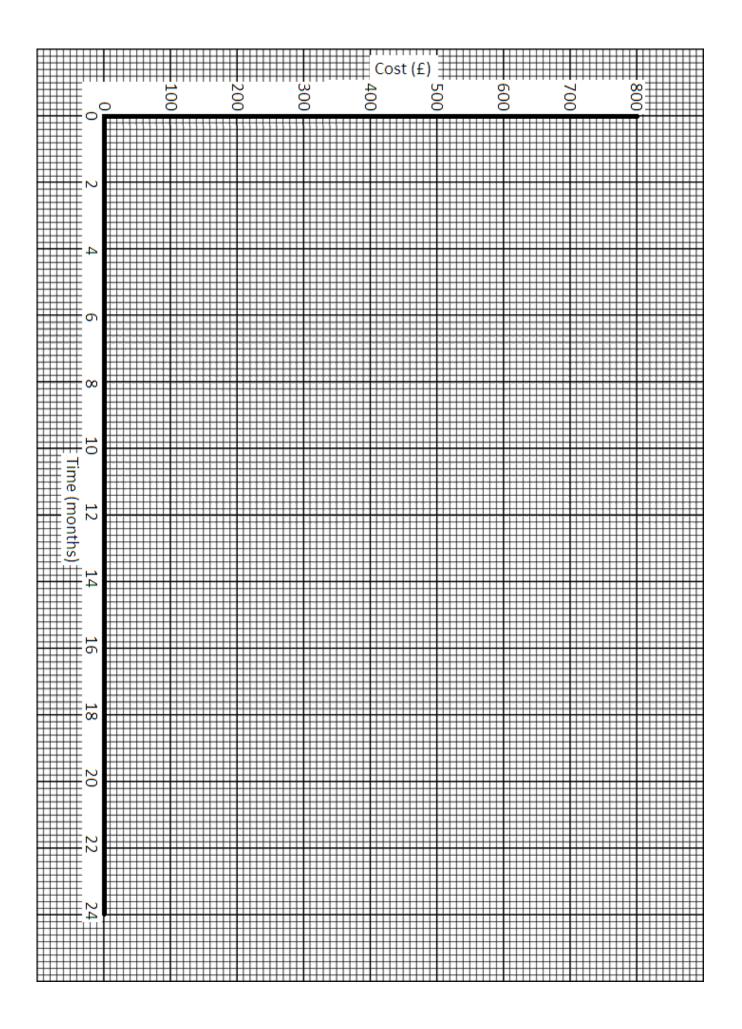
Complete the tables below, then draw a graph showing the total amount spent after each month on these three different tariffs:

Tariff A £185 up front £20 per month			Tariff B £50 up front £25 per month		£50 up front		£0 u	Tariff C £0 up front £30 per month	
Months	Cost so far		Months	Cost so far		Months	Cost so far		
0	£		0	£		0	£		
1	£		1	£		1	£		
2	£		2	£		2	£		
3	£		3	£		3	£		
4	£		4	£		4	£		
				•••					
24	£		24	£		24	£		

Draw a graph for each of these on the graph paper on the back of this sheet. Use 1 large square for 2 months along the bottom, and 1 large square for £100 up the side.

Now write your conclusion about which is the best plan in the long run:

Extension: We have only looked in detail at three of the tariffs available. How do the other tariffs compare? And what else should we be looking for apart from just cost?



Choosing a mobile phone contract - SOLUTIONS

Some contracts have a higher up-front cost for the phone, but a lower cost per month. Others charge little or nothing for the handset, but you pay more every month. **We need to work out which contract would be the cheapest in the long run.**

Complete the tables below, then draw a graph showing the total amount spent after each month on these three different tariffs:

Tariff A £185 up front £20 per month		Tariff B £50 up front £25 per month		£0 u	riff C p front er month
Months Cost so far		Months	Cost so far	Months	
0	£185	0	£50	0	£0
1	£205	1	£75	1	£30
2	£225	2	£100	2	£60
3	£245	3	£125	3	£90
4	£265	4	£150	4	£120
	•••	•••	•••	•••	•••
24	£665	24	£650	24	£720

Draw a graph for each of these on the graph paper on the back of this sheet. Use 1 large square for 2 months along the bottom, and 1 large square for £100 up the side.

Now write your conclusion about which is the best plan in the long run:

Tariff B is the best – it costs £15 less in the long run than tariff A, and £70 less than tariff C.

Not only is it the cheapest, but it comes with the same number of minutes in the monthly allowance as tariff C, and 250 more minutes than tariff A.

Extension: We have only looked in detail at three of the tariffs available. How do the other tariffs compare? And what else should we be looking for apart from just cost?

The best deal depends on usage, and on how much the network would charge for calls or data over the monthly allowances.

