

Algebra II
Century High School

Automobile Depreciation
CA Standards: 12.0
Project due June 1st

Task:

Your task on this project is to calculate the depreciation rates of two of your favorite vehicles. You will then analyze the results and make a report of your findings. Your research will require that you use the Kelley Blue Book website which can be found at www.kbb.com

Procedure:

Look up the price of the vehicle of our choice brand new (model year 2007). Make sure to keep track of the model and trim (features found in the vehicle). Use the manufacturer's Suggested Retail price. Then in the Used Car section find the prices of the same vehicle with the exact same trim. For each vehicle you will calculate a 2-year, 4-year, and 6-year depreciation rate. You will then find the **mean** of the three depreciation rates for your final depreciation rate. Using the final depreciation rate, you will calculate the value of your car after 10 years.

You will repeat the procedure given above for another separate vehicle. You will then make a report of the comparison and analysis of the two vehicles you have chosen. Discuss the factors that you feel affect the depreciation rate of each vehicle. (e.g. reliability, availability, etc...)

Grading:

This project will be worth 100 points. The point distribution will be as follows:

Appearance <ul style="list-style-type: none">Everything, except the calculations but including a cover sheet, must be typed.	10 points
Research and Data <ul style="list-style-type: none">Research and Data Worksheet (to be retyped)	30 points
Calculations <ul style="list-style-type: none">Calculate the mean rate of depreciation for each car.Calculate the value of each car after 10 years.	30 points
Summary <ul style="list-style-type: none">Which car has a greater depreciation rate? Why do you think this is the case?Which car is more economical? Why?	30 points

Research and Data

Car 1

Name and Model of car: _____
(ex: Honda Civic)

Trim type: _____
(ex: 4-door LX Sedan)

Features (air conditioning, automatic, leather interior, etc...):

Retail price of 2011 model \$ _____

Retail price of 2009 model \$ _____

Retail price of 2007 model \$ _____

Retail price of 2005 model \$ _____

Car 2

Name and Model of car: _____
(ex: Jeep Wrangler)

Trim type: _____
(ex: 2-door X Sports Utility)

Features (air conditioning, automatic, leather interior, etc...):

Retail price of 2011 model \$ _____

Retail price of 2009 model \$ _____

Retail price of 2007 model \$ _____

Retail price of 2005 model \$ _____