

MATHEMATICS FOR LIVING

MONEY WORKSHEET 12: CALCULATING V.A.T.

NAME: _____

DATE: _____

V.A.T. is Value Added Tax. It is a tax we must pay on lots of goods and services we buy.

There are currently **3 rates** of VAT. They are:

ZERO RATE	LOW RATE	HIGH RATE
0% added on	13.5% added on	21% added on

- To calculate the **amount of VAT** to be paid, **multiply** the price before VAT by the rate.
- To calculate the **price including VAT**, **add on** the VAT to the price before VAT (ex. VAT)

Solve these problems.

1. A girl buys a computer. The price of the computer is €875.00 ex. VAT. VAT is 21%.

Calculate:

- a. The amount of VAT to be paid on the computer: _____
- b. The total cost of the computer including VAT: _____

2. A man buys a television. The cost of the TV is €399.00 ex. VAT. VAT is 21%.

Calculate:

- a. The amount of VAT to be paid on the TV: _____
- b. The total cost of the TV including VAT: _____

3. Mr. Jones gets his Gas Bill. The amount to be paid is €87.89 ex. VAT. The VAT on a gas bill is paid at the lower rate.

Calculate, rounded to the nearest cent:

- a. The amount of VAT to be paid on the bill: _____
- b. The total cost of the bill including VAT: _____

4. A lady gets her car serviced. The cost of the parts is €85.00 ex. VAT. The cost of the labour is €70.00 ex. VAT. The VAT on the parts is paid at the high rate; the VAT on labour is at the low rate.

Calculate:

- a. The amount of VAT to be paid on the parts: _____
- b. The total cost of the parts including VAT: _____
- c. The amount of VAT to be paid on the labour: _____
- d. The total cost of the labour including VAT: _____
- e. The final bill the lady has to pay: _____

