

# Value Added Tax (VAT)

Value Added Tax is charged at 20% in the following exercise.

1. The costs given for the following items do not include VAT.  
Calculate the VAT charged on each of the items.

- |                              |                             |                            |
|------------------------------|-----------------------------|----------------------------|
| (a) a cycle costing £420     | (b) a radio costing £80     | (c) a toy costing £12      |
| (d) a table costing £140     | (e) a stool costing £18     | (f) a bed costing £330     |
| (g) a phone costing £64      | (h) a car costing £8500     | (i) a carpet costing £1200 |
| (j) a chair costing £42      | (k) a wardrobe costing £324 | (l) a phone costing £74    |
| (m) a magazine costing £1.20 | (n) a CD costing £4.80      | (o) a DVD costing £17.60   |

2. The costs given for the following items do not include VAT.  
The VAT will need to be rounded to the nearest penny.  
Calculate the VAT charged on each item.

- |                              |                            |                                |
|------------------------------|----------------------------|--------------------------------|
| (a) a sofa costing £615.86   | (b) a ring costing £429.48 | (c) a watch costing £121.89    |
| (d) a cooker costing £537.47 | (e) a desk costing £199.29 | (f) a mattress costing £187.55 |
| (g) a clock costing £43.52   | (h) a radio costing £95.67 | (i) a lamp costing £69.49      |
| (j) a coat costing £71.68    | (k) a towel costing £9.42  | (l) a mirror costing £31.62    |
| (m) a magazine costing £1.46 | (n) a CD costing £7.32     | (o) a DVD costing £12.75       |

3. The cost given for each of the items below does not include VAT.  
Calculate the cost of each item after the VAT has been added on.



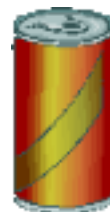
(a) £ 26.80



(b) £ 9.20



(c) £ 2.40



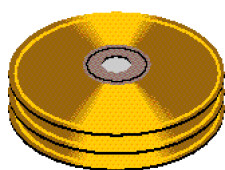
(d) £ 0.80



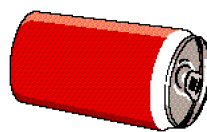
(e) £ 3.20



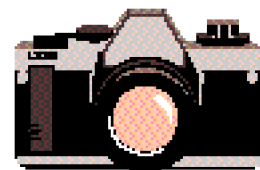
(f) £ 35.20



(g) £ 6.80

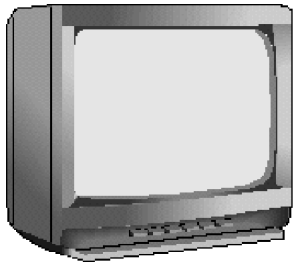


(h) £ 0.40

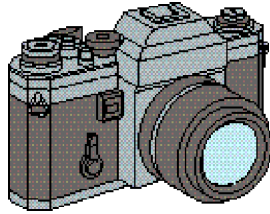


(i) £ 71.60

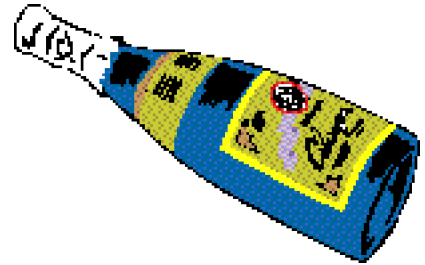
4. The cost given for each of the items below does not include VAT. (ie. cost **excluding** VAT.)  
The VAT will need to be rounded to the nearest penny.  
Calculate the cost of each item after the VAT has been added on. (ie. cost **including** VAT.)



(a) £ 400.52



(b) £ 320.36



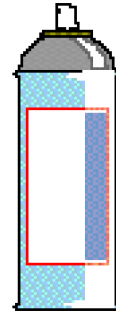
(c) £ 40.28



(d) £ 23.85



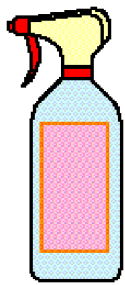
(e) £ 12.37



(f) £ 3.86



(g) £ 1.72



(h) £ 3.56



(i) £ 0.12



(j) £ 4.25



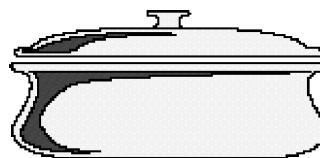
(k) £ 5.64



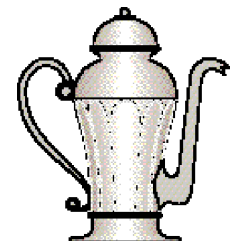
(l) £ 70.25



(m) £ 6.12



(n) £ 18.15

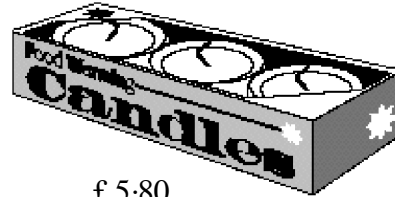


(o) £ 23.45

5. Candles can be bought either as single candles or in a box of three candles. The prices for the items are given exclusive and inclusive of VAT respectively. Calculate the cheapest way to buy **three** candles and the amount saved.



£ 1.60  
exc.VAT



£ 5.80  
inc.VAT

6. Copy and complete the following bills to find the total cost including VAT.

(a) For painting and decorating.

<b>Art &amp; Co</b>	
Wallpaper :	£ 67.40
Paint :	£ 5.80
Labour :	£ 84.00
<b>Sub-total</b>	_____
VAT @ 20%	_____
<b>TOTAL COST</b>	_____

(b) For servicing a car.

<b>Carr &amp; Co</b>	
Parts :	£ 5.40
Oil :	£ 7.54
Labour :	£ 28.26
<b>Sub-total</b>	_____
VAT @ 20%	_____
<b>TOTAL COST</b>	_____

(c) For fitting a new door.

<b>Parr &amp; Co</b>	
Door :	£ 154.76
Lock :	£ 23.64
Labour :	£ 36.40
<b>Sub-total</b>	_____
VAT @ 20%	_____
<b>TOTAL COST</b>	_____

(d) For relaying a driveway.

<b>Tarr &amp; Co</b>	
Foundation Material :	£ 145.00
Tar :	£ 239.00
Labour :	£ 344.00
Equipment Hire :	£ 136.00
<b>Sub-total</b>	_____
VAT @ 20%	_____
<b>TOTAL COST</b>	_____

(e) For a meal at a restaurant.

Eatton & Co	
Soup of the Day :	£ 1.80
T-bone Steak :	£ 9.50
Vegetables :	£ 2.70
Wine :	£ 4.25
Sweet :	£ 3.75
Coffee and biscuits :	£ 1.60
<b>Sub-total</b>	<hr/>
VAT @ 20%	<hr/>
<b>TOTAL COST</b>	<hr/> <hr/>

(f) For shopping.

Pratt & Co	
3 soup :	£ 1.86
2 packs of bacon :	£ 4.32
vegetables :	£ 2.24
6 litres of milk :	£ 3.72
bread :	£ 1.46
cheese :	£ 2.80
<b>Sub-total</b>	<hr/>
VAT @ 20%	<hr/>
<b>TOTAL COST</b>	<hr/> <hr/>

## ANSWERS

1. (a) £84                      (b) £16                      (c) £2.40                      (d) £28                      (e) £3.60  
(f) £66                      (g) £12.80                      (h) £1700                      (i) £240                      (j) £8.40  
(k) £64.80                      (l) £14.80                      (m) £0.24                      (n) £0.96                      (o) £3.52
2. (a) £123.17                      (b) £85.90                      (c) £24.38                      (d) £107.49                      (e) £39.88  
(f) £37.51                      (g) £8.70                      (h) £19.13                      (i) £13.90                      (j) £14.33  
(k) £1.88                      (l) £6.32                      (m) £0.29                      (n) £1.46                      (o) £2.55
3. (a) £32.16                      (b) £11.04                      (c) £2.88                      (d) £0.96                      (e) £3.84  
(f) £42.24                      (g) £8.16                      (h) £0.48                      (i) £85.92
4. (a) £480.62                      (b) £384.43                      (c) £48.34                      (d) £28.62                      (e) £14.84  
(f) £4.63                      (g) £2.06                      (h) £4.27                      (i) £0.14                      (j) £5.10  
(k) £6.77                      (l) £84.30                      (m) £7.34                      (n) £21.78                      (o) £28.14
5. Buying 3 single candles is 4 pence cheaper.
6. (a) £188.64                      (b) £49.44                      (c) £257.76                      (d) £1036.80                      (e) £28.32  
(f) £19.68