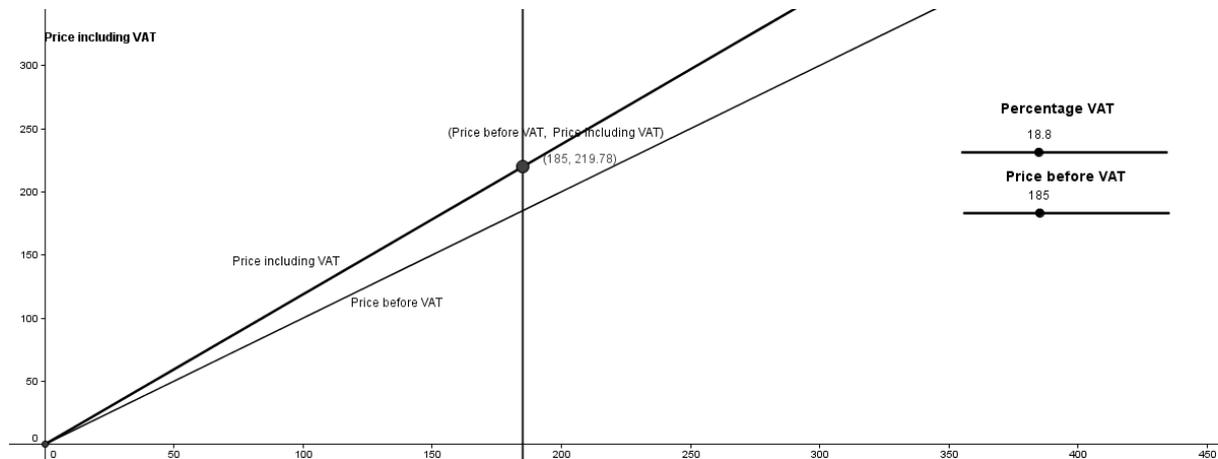


Student Activity: To investigate Value Added Tax (VAT)

Use in connection with the interactive file, 'VAT', on the Student's CD



1. Clothes cost €200 before VAT and VAT is charged at the rate of 20%. How much does the customer have to pay? Show your calculations.

2. A camera costs €238.95 and this price includes VAT at 18%. What is the price before VAT to the nearest cent? Show your calculations.

3. A set of DVD's costs €162.25 and this price includes VAT at 18%. How much VAT did the customer pay? Show your calculations.

4. VAT is increased from 12% to 21%.

- a. How much extra will someone have to pay for a television that cost €350 before VAT? Show your calculations.

- b. How much extra will a customer have to pay for a Nintendo that cost €130 before VAT?
Show your calculations.

5. Joe says “The more an item costs the greater the amount of VAT that has to be paid on it.” Is Joe correct? Discuss and use the interactive file to create an example to explain your answer.

6. Shoes cost €98.00 including VAT at 22.5%.

- a. What was the price of the shoes before VAT? Show your calculations.

- b. How much VAT was charged on these shoes? Show your calculations.

7. A family get an extension to their house costing €19000 before VAT. Given that the VAT rate on labour is 12% and the VAT rate on materials is 21%, how much will the extension cost if the labour costs amounted to €8500 and €10500 was spent on materials?

8. A magazine costs €2.60 and the rate of VAT on magazines is 15%. What is the cost of the magazine before VAT?

9. A tourist to Ireland buys sweaters costing €289.05 including VAT at 23%, but is told that he can get a refund of the amount of VAT paid on production of his receipt when leaving the country. How much of a refund is he entitled to?
