National 4 Numeracy Homework -Hire Purchase and VAT

1. A mail order company sells a wardrobe for £569.95. It offers Hire Purchase terms of deposit of £69.95 and 24 monthly payments of £21.25

Calculate **(a)** the total HP cost.
(b) how much you save by paying cash?

[2, 2]

2. Simon saw these two adverts for the same computer package.

COMPUTERS 'R' US
£650
VAT INCLUDED

COMPUTERS 4 U
£545
+ 20% VAT

Which shop is offering the best deal? Give a reason for your answer.

[4]

3. VAT is charged at 20%. How much VAT would be paid on a speakers costing £99.90 before VAT? [1]

4. Supabrite Toothpaste costs £1.15 at the supermarket. However at the cash n carry it costs £23.75 plus 20% VAT for 24 tubes. Which option is cheaper and by how much?

[4]

[13 marks]