Hire Purchase and VAT

1. A mail order company sells a sofa for £469.95. It offers Hire Purchase terms of deposit of £69.95 and 24 monthly payments of £21.50

Calculate (a) the total HP cost.

- (b) how much you save by paying cash? [2, 2]
- 2. Siobhan saw these two adverts for the same computer package.



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

3. A colour television set can be bought in an electrical store for a cash price of £350 or by using one of two Hire Purchase agreements:



The total HP cost for both agreements is the same.

What are the monthly instalments for HP Gold?

[7]

[1]

4. VAT is charged at 20%. How much VAT would be paid on a music system costing £99.90 before VAT?



[4]

Holiday money

| 1. | In Australia the exchange rate for the British pound is 1.54 dollars to the pound. | | |
|----|--|---|-----|
| | How | many Australian dollars would £500 be worth? | [2] |
| 2. | Kate is visiting Paris. | | |
| | She b The o | books a train seat from the airport to her hotel. cost of the train fare in euros is €14. | |
| | If the Give | e exchange rate is $\pounds 1 = \pounds 1.14$, what is Kate's train fare in pounds sterling? your answer to the nearest 1p. | [2] |
| 3. | Soraya is travelling to Europe and changes £245 into Euros at the rate of $\pounds 1 = \pounds 1.14$ | | |
| | (a) | How many Euros does she receive? | [2] |
| | (b) | She spends 240 Euros. How much does she have left? | [1] |
| | (c) | When she returns she exchanges her Euros for British money. | |
| | | Using the same exchange, how much will she get, to the nearest penny? | [2] |
| 4. | Kailey has £600 spending money for her trip to Malta. | | |
| | She wants to bring at least a quarter of it back with her. | | |
| | She returns with 190 euros which she changes back to British pounds at an exchange rate of $\pounds 1 = 1.24$ euros. | | |
| | Did she return home with as much money as she hoped? | | |
| | You | must show your working and give a reason for your answer. | [3] |

[12 marks]