

Retail Purchases

Whenever making purchases the customer is sometimes offered a **Discount** that is expressed as a percentage of the **Listed Price**. In The Bahamas, purchases are also subject to a **Value Added Tax** of **10%**. This **Sales Tax** is **10%** of the **Purchase or Discounted Price**.

Example:

A desktop computer that is **listed at \$1,200** can be purchased with a **20% discount**.

What is the **Discount** on the computer?

20% of **\$1,200**

$$\frac{20}{100} \times \frac{\$1,200}{1}$$

$$20 \times \$12 = \$240$$

What is the **Discounted Price**?

$$\$1,200 - \$240 = \$960$$

What is the **Value Added Tax**?

10% of **\$960**

$$\frac{10}{100} \times \frac{\$960}{1}$$

$$1 \times \$96 = \$96$$

What is the **Sales Price**?

$$\$960 + \$96 = \$1,056$$

Please Note:

Change **Percentage** to a fraction with **100** in the denominator
Two zeros in the numerator can cancel two zeros in the denominator

Assignment:

A vehicle listed at \$4,000 can be purchased with a 15% discount.

1. What is the **Discount** on the vehicle?
2. What is the **Discounted Price**?
3. What is the **Value Added Tax**?
4. What is the **Sales Price**?

A refrigerator listed at \$2,000 can be purchased with a 5% discount.

5. What is the **Discount** on the vehicle?
6. What is the **Discounted Price**?
7. What is the **Value Added Tax**?
8. What is the **Sales Price**?

A television listed at \$800 can be purchased with a 25% discount.

9. What is the **Discount** on the vehicle?
10. What is the **Discounted Price**?
11. What is the **Value Added Tax**?
12. What is the **Sales Price**?