

Name _____

Activity 2

Ross works at Tricky General Dealers. Ross does not know how to calculate the VAT on the sales to the customers and he also heard that some of the items they sell are Zero rated. He does not know what that means. Please assist Ross in calculating the VAT by answering the questions below:

Questions

2.1 Explain to Ross why some items are Zero rated and give two examples.

2.2 Calculate the VAT that will be charged on the list of items below.

A customer had the following items in her trolley (All prices exclude VAT):

Lamb chops	R56	
Brown bread	R5	
Tomatoes	R12	
Coke	R11	
Charcoal	R30	
Cheese	R24	
Chips	R13	