

# YR 12 ACCOUNTING - WORKSHEET

Date: 28/04/2020

Week: 2

Worksheet No: 8

Strand no: 2 Strand: Personal Finance

Sub Strand: - Value Added Tax

Objectives: Students should be able to revise on:

- Explain the significance of filing VAT returns honestly.
- Calculate VAT, VAT exclusive price and VAT inclusive price

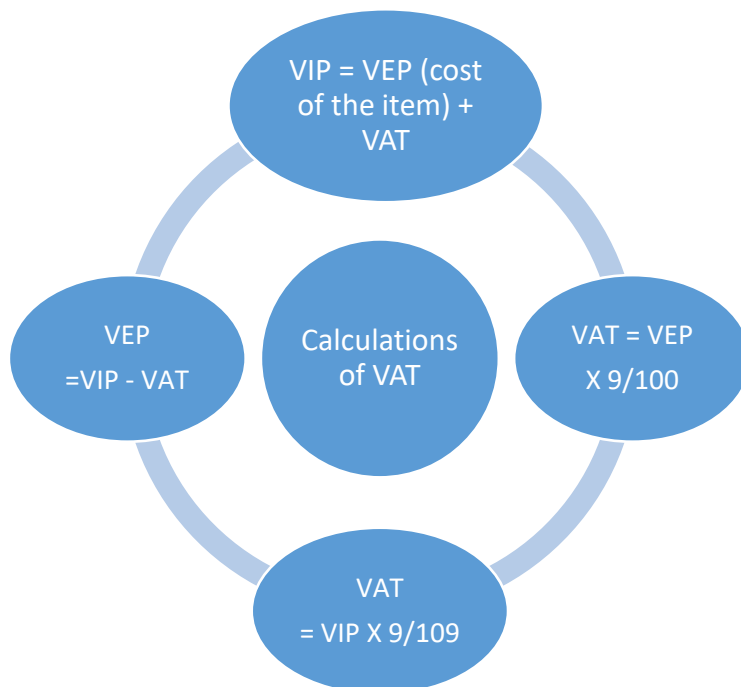
Notes

A. The significance of filing VAT returns honestly.

VAT returns should be filed on a timely basis so that the government is able receive its share of tax and refund the correct amount.

It will also help the government to prepare timely reports.

B. Calculation of Vat.



**Example.**

Eddie Bought a Table for \$810 VIP.

**Required:**

a) Calculate the amount of VAT paid by Eddie.

$$\begin{aligned} \text{VAT} &= \text{VIP} \times 9/109 \\ &= \$810 \times 9/109 \\ &= \underline{\$66.88} \end{aligned}$$

b) Calculate the VEP

$$\begin{aligned} \text{VEP} &= \text{VIP} - \text{VAT} \\ &= \$810 - \$66.88 \\ &= \underline{\$743.12} \end{aligned}$$

**Activities**

**(8 marks)**

A. Samani bought a computer for \$900 VIP.

Required:

Calculate:

1. VAT (2 marks)

2. VEP (2 marks)

B. Mrs Sharma bought a truck for \$10,000 (VEP)

Required:

Calculate:

1. VAT (2 marks)

2. VIP (2 marks)

