

PROFIT, LOSS AND DISCOUNT

PERIOD 7

SUBJECT : MATHEMATICS
CHAPTER NUMBER: 8
CHAPTER NAME : PROFIT, LOSS AND DISCOUNT

CHANGING YOUR TOMORROW

Learning outcome

Students will be able to know about GST.

Previous knowledge

Question 1.

Rajat purchases a wrist-watch costing Rs. 540. The rate of Sales Tax is 8%. Find the total amount paid by Rajat for the watch

Question 2.

The price of a washing machine, inclusive of sales tax is ₹ 13,530/-. If the Sales Tax is 10%, find its basic (cost) price.

Exercise- 8(F)

Question 1.

A shopkeeper buys an article for ₹ 8,000 and sells it for ₹ 10,000. If the rate of tax under VAT is 10%, find :

- (i) tax paid by the shopkeeper
- (ii) tax charged by the shopkeeper
- (iii) VAT paid by the shopkeeper

Solution:

Cost price of an article = ₹8000

And, selling price = ₹10,000

(i) Tax paid by Shopkeeper under VAT 10%

$$= ₹ \frac{8,000 \times 10}{100} = ₹800$$

(ii) Tax charged by the shopkeeper

∴ Selling price = ₹10,000 under VAT 10%

$$= ₹ \frac{10,000 \times 10}{100} = ₹1000$$

(iii) VAT paid by the shopkeeper = ₹ 1000 – ₹ 800 = ₹ 200

Exercise- 8(F)

Question 2.

A trader buys some goods for ₹ 12,000 and sells them for ₹ 15,000. If the rate of tax under VAT is 12%, find the VAT paid by the trader?

Solution:

Cost price of goods = ₹12,000

VAT charged, Under VAT 12%

$$= \frac{12,000 \times 12}{100} = ₹1440$$

Selling price of goods = ₹15,000

VAT charged, Under VAT 12%

$$= \frac{15,000 \times 12}{100} = ₹1800$$

VAT paid by trader = ₹1800 – ₹1440 = ₹360

Exercise- 8(F)

Question 3.

The marked price of an article is ₹ 7,000 and is available at 20% discount. Manoj buys this article and then sold it at its marked price. If the rate of tax at each state is 10%, find the VAT paid by Manoj.

Solution:

M.P. an article = ₹7000

Discount rate = 20%

C.P. for Manoj = ₹7000 – 20% of ₹7000
= ₹7000 – ₹1400 = ₹5600

$$\therefore \text{Tax paid by Manoj} = ₹ \frac{5600 \times 10}{100} = ₹560$$

S.P. of an article = ₹7000

$$\text{Tax charged by Manoj} = ₹ \frac{7000 \times 10}{100} = ₹700$$

VAT paid = Tax charged – Tax paid
= ₹700 – ₹560 = ₹140

Exercise- 8(F)

Question 5.

A buys an article for ₹ 8,000 and sold it to B at 20% profit. If the rate of tax under VAT is 8%, find :

- (i) tax paid by A
- (ii) tax charged by A
- (iii) VAT paid by A

Solution:

C.P. of an article for A = ₹8000

Tax rate = 8%

$$(i) \text{ Tax paid by A} = \text{C.P.} \times \frac{\text{Rate}}{100}$$

$$= ₹8000 \times \frac{8}{100} = ₹640$$

(ii) C.P. of an article for B = ₹8000 + 20% of ₹8000

$$= ₹8000 + 1600 = ₹9600$$

$$\text{Tax charged by A or} = \text{C.P.} \times \frac{\text{Rate}}{100}$$

$$\text{Tax paid by B} = ₹9600 \times \frac{8}{100} = ₹768$$

$$(iii) \text{ VAT paid by A} = \text{Tax charged} - \text{Tax paid} \\ = ₹768 - ₹640 = ₹128$$

Exercise- 8(F)

Question 6.

A shopkeeper purchases an article for ₹ 12,400 and sells it to a customer for ₹ 17,000. If the tax under VAT is 8%, find the VAT paid by the shopkeeper.

Solution:

C.P. of article = ₹ 12,400

Rate of VAT = 8%

Total VAT = ₹ 12,400 $\times \frac{8}{100}$ = ₹ 992

S.P. of the article = ₹ 17000

VAT charge 8% = ₹ 17000 $\times \frac{8}{100}$ = ₹ 1360

Amount of VAT paid by the shopkeeper = ₹ 1360 – ₹ 992 = ₹ 368

Home Assignment

Exercise 8(F)

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