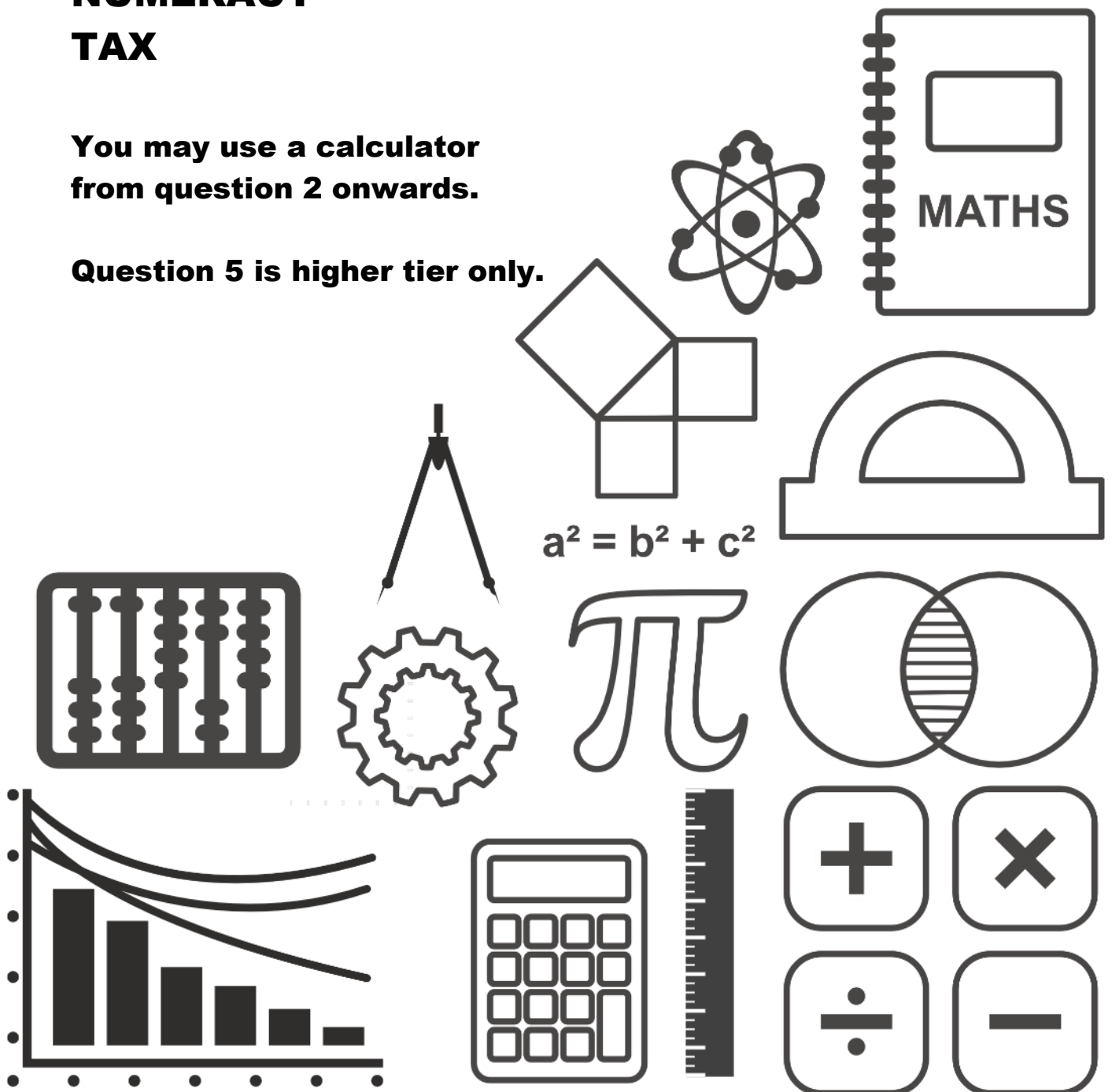


GCSE TOPIC BOOKLET NUMERACY TAX

You may use a calculator
from question 2 onwards.

Question 5 is higher tier only.



1.

Agata is paid in pesos.

The tax rates are as follows:

Band	Taxable income	Tax rate
Personal allowance	Up to 200 000 pesos	0%
Standard rate	200 000 pesos to 500 000 pesos	10%
Further rate	over 500 000 pesos	35%

Agata's total earnings before tax are 600 000 pesos.

Calculate how much tax Agata is due to pay.

You must show all your working.

[6]

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Agata's total tax bill pesos

2. Last year, Simone's total income before tax was €30 000.

The tax bands, taxable income and tax rates last year were as follows:

Band	Taxable income	Tax rate
Personal Allowance	Up to €4000	0%
Basic rate	€4000 to €10 000	15%
Higher rate	over €10 000	22%

(a) Show that Simone should have paid €900 tax at the basic rate.
You must show all your working.

[2]

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(b) Calculate Simone's **total** tax bill last year.
You must show all your working.

[4]

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3. Zara is paid in dollars.
Last year, Zara's total income before tax was \$25 000.

The tax bands, taxable income and tax rates last year were as follows:

Band	Taxable income	Tax rate
Personal Allowance	Up to \$10 000	0%
Basic rate	\$10 000 to \$22 000	20%
Higher rate	over \$22 000	25%

- (a) Show that Zara should have paid \$2400 tax at the basic rate. [2]

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- (b) Zara's **total** tax bill last year was \$4000.
She thinks an error has been made.
Calculate how much tax should be refunded to Zara.
You must show all your working. [5]

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Zara's tax refund is \$

4. Loretta is paid in euros.
 She is checking her tax bill for last year.

The tax rates last year were as follows:

- No tax on the first €3500 of earnings
- Earnings in excess of €3500 and up to €10 500: taxed at a rate of 25%
- Earnings above €10 500: taxed at a rate of 35%

Last year, Loretta's total earnings before tax were €34 500.

How much tax did Loretta pay in total?
 You must show all your working.

[6]

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Tax paid = €

5. Holly wants to buy a new house in Cardiff.
She knows that Land Transaction Tax will be added to the price of the house.

Land Transaction Tax rates are shown below:

- pay nothing on the first £180 000 of the price of the house,
- pay 3.5% on the part of the price of the house that is above £180 000 and up to and including £250 000,
- pay 5% on the part of the price of the house that is above £250 000 and up to and including £400 000.

- (a) Show that the Land Transaction Tax payable on a house costing £255 000 is £2700. [2]

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- (b) The most Holly can afford to spend, including Land Transaction Tax, is £327 000.

Let x be the highest price of house that Holly can afford.
Write an equation in x and solve it to calculate the highest price of house that Holly can afford. [5]

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