

Activity 1 | Calculation of VAT

Activity 1: Calculation of VAT

Aim: To demonstrate an understanding of VAT

Calculate the VAT amount for each item below.

No.	Item	Original prices (Rs)	VAT (15%)
1	Mobile phone	10 000	-----
2	Lunch in a restaurant	450	-----
3	Video game	1200	-----
4	Headphones	600	-----
5	Toy set	900	-----

Activity 2 | Understanding VAT

Activity 2:

Aim: To demonstrate an understanding of VAT Read the scenario and help Mr Wang Li to have his final quotation.



The Wang Li family's House Renovation

The Wang Li family decided to renovate their living room.

They visited a local furniture and electronics store to request a quotation.

They planned to buy a:

- 1 TV Set - 1 Sofa Set - 1 Coffee Table
- 1 Bookshelf - 1 Carpet - 1 Wall Clock

They received a quotation showing only the original prices of each item.

Item	Quantity	Unit Price (Rs)	Total (Rs)
TV Set	1	15 000	15 000
Sofa Set	1	22 000	22 000
Coffee Table	1	4 500	4 500
Bookshelf	1	3 000	3 000
Carpet	1	2 800	2 800
Wall Clock	1	700	700
Total (Before VAT)			48 000

LATER AT THE SHOP:



When the family returned to the shop to buy the items, the salesperson explained that 15% VAT would be added to each item.

Now they need to calculate the new total cost with VAT included.

Activity 2 | Understanding VAT

Complete the Quotation Sheet to help the family to find the cost of renovation including VAT.

SHINEE TRENDY BOUTIQUE QUATRE-BORNES TEL: 51 23 45 67

Receipt No: 030395
Date: 25 March 2025
Cashier: Emily

Time: 10.45 AM

Item	Quantity	Unit Price (Rs)	VAT (15%)Total (Rs)	(Unit Price- VAT)
TV Set	1	15 000	$15/100 \times 15000 = 2250$	$15000 - 2250 = 12750$
Sofa Set	1			
Coffee Table	1			
Bookshelf	1			
Carpet	1			
Wall Clock	1			
Total				

SUBTOTAL VAT 15% RS.....
TOTAL AMOUNT TO PAY RS.....

PAYMENT METHOD: CASH

AMOUNT PAID: RS.....
CHANGE: RS 0.00

Thank you for shopping with us! Keep your receipt for returns

Activity 3 | Payslip

Activity 3: Part A:

Instructions:

Use the following details to prepare a payslip for Mrs. Daphne; the employee.

Basic salary:
Rs 16,000

Loan Repayment:
Rs 300

CSG Contribution:
Rs 200

PAYE (Tax):
Rs 700

Sales Clerk
(Designation)

March 2025

Mrs Daphne
(Employee)

Overtime:
Rs 1,500

12 Belle Rose Street,
Quatre Bornes
(Company Address)

NSF Contribution:
Rs 100

Sunny Foods Ltd
(Company Name)

DML2031
(Employee ID)

Activity 3 | Payslip

Activity 3: Part A:

Instructions:

Use the following details to prepare a payslip for Mrs. Daphne; the employee.

PAYSIP			
Company Name: Company Address: Employee Name: Employee ID: Designation: Month: Pay Date:			
Earnings (Revenue)		Deductions	
	Amount (Rs)		Amount (Rs)
Basic salary	.....	PAYE (TAX)	.....
Overtime	.....	CSG Contribution	.....
Transport allowance	.....	NSF Contribution	.....
Attendance Bonus	.....	Loan Repayment	.....
Total Earnings	Rs	Total Deductions	Rs
Net Salary	Rs		

Activity 3 | Payslip

Part B

Instructions:

1. Use the above payslip to fill in the blanks appropriately.

- This payslip belongs to(Mrs Daphne , Sunny Foods Ltd).
- The payslip is for the month of 2025 (December, March).
- Her basic salary is (Rs 20,200, Rs 16,000)
- She earned an overtime amount of Rs 1 500 and received a transport allowance of (Rs 1000, Rs 700)
- She had several deductions including(PAYE, attendance bonus).
- After all deductions, her total net salary is (Rs 17,700, Rs 16,000)

Activity 4 | Tax amount and net salary

Activity 4 : Calculate the tax amount and the net salary. The first one has been done for you

No	Monthly salary (Rs)	Tax rate (%)	Tax amount (Rs)	Net salary (Rs) Monthly salary- Tax amount
1	30 000	10%	$10/100 * 30000 = 3000$	$30,000 - 3000 = 27\ 000$
<div> <div> <u>Tax amount:</u> 10% of 30 000 = 3000 </div> <div> <u>Net salary:</u> Monthly salary -Tax amount 30 000 - 3000 = 27 000 </div> </div>				

No	Monthly salary (Rs)	Tax rate (%)	Tax amount (Rs)	Net salary (Rs) Monthly salary- Tax amount
1	35 000	12%	_____	_____
2	40 000	14%	_____	_____
3	50 000	16%	_____	_____
4	52 000	18%	_____	_____
5	55 000	20%	_____	_____

Activity 4 | Tax amount and net salary

What do you notice? Tick the correct box.

Tax Amount	→	Increase	<input type="checkbox"/>
	→	Decrease	<input type="checkbox"/>
Net Salary	→	Increase	<input type="checkbox"/>
	→	Decrease	<input type="checkbox"/>

Activity 5 | VAT or Income Tax

Activity 5: For each scenario below, write VAT or Income Tax to show which type of tax applies.

Scenario	VAT or Income Tax?
Sarah buys a new school bag from the supermarket.	
Mr. Raj, a teacher, receives his monthly salary .	
A doctor pays part of his earnings to the government	
An engineer's monthly income is reduced due to tax deductions.	
Jane buys a mobile phone from an electronics shop.	