Financial Arithmetic

(Tax)

Q1. Choose the correct option:

i. Total annual income - Exempted income = Exempt Income
   a) Rebate b) Exempt c) Taxable d) Tax

ii. The tax imposed on income is called Income Tax
   a) Usher b) Zakat c) Income Tax d) Property Tax

iii. A tax in which taxes are charged on goods and services in called Indirect Tax
   a) Direct Tax b) Indirect Tax c) Property Tax d) Zakat

iv. Property tax is a tax imposed by government on house, land or shop
   a) goods and services b) income c) house, land or shops d) grocery

v. For, paying tax financial year starts from 1st July to 30th June next year.
   a) Ist June to 30th August b) Ist July to 30th June
   c) Ist August to Ist July d) Ist August to 30th June

vi. GST means:
   a) income tax b) property tax c) value added tax d) general sales tax

Q2. Notebook Task:

i. Ahmed earns Rs.80000 per month. Calculate the income tax on Ahmed's annual income.

ii. Zia owns a house of worth 5500000. Calculate the amount of property tax at the rate of 4.5%.

iii. Sara owns a property. If she has to pay property tax of Rs.22000 at the rate of 2%. Find the total worth of the property.

iv. The price of I fan is Rs.8000. Find the price of 10 fans including GST.

v. The price of a packet of cake is Rs.200. Find value added tax on it at the rate of 17%.

vi. A travel agency got 5% commission on the sales of tickets. If he sold tickets for Rs.2000000 in a day. Find the amount of commission.

vii. Rehan sold a plot for Rs.7000000 by an agent who received 2.5% commission. Find amount of commission.

i) Ahmed earns Rs 80,000 per month. Calculate the income tax on Ahmed's annual income.

Ahmed's monthly income = Rs. 80,000

Ahmed's Annual income = $80{,}000 \times 12$

= 96 0,000

Exempted amount = 600,000

Taxable income = Gross income - Exempted amount

960, 000 - 600,000

= 360000

Rate of income tax = 2.5%

income tax = $\frac{25}{1000} \times 360000$

= Rs 9000

Zia owns a house of worth 5500000. Calculate the amount of property tax at the rate of 4.5%

Total value of house = 5500000

Rate of tax = 4.5%

Amount of tax = $\frac{4.5}{1\cancel{00}} \times 55000\cancel{00}$

= 247,500 Rs

iii) Sara owns a property. If she has to pay property tax of Rs 22,000 at the rate of 2%. Find the total worth of the property.

Let the rate of property $= x$

Amount of tax $= 2\%$

2% of $x = 22{,}000$ Rs

$\frac{2}{100} x = 22{,}000$ Rs

$x = \cancel{22{,}000}^{11{,}000} \times \frac{100}{\cancel{2}}$

Rate of Property $= 11\,00000$

iv) The Price of 1 fan is Rs 8000. Find the price of 10 fans including GST.

The price of 1 fan $= 8000$ Rs

Price of 10 fans $= 8000 \times 10$

$= 80{,}000$

Usuall we pay 17% GST
on our daily purchasing

Rate of GST $= 17\%$

Amount of GST $= \frac{17}{1\cancel{00}} \times 80{,}0\cancel{00}$

$= 13{,}600$

Total price payable $= 80000 + 13{,}600$

$= 93{,}600$ Rs

v) The Price of Packet of Cake is Rs 200. Find Value added tax on it at the rate of 17%.

Amount of VAT = Rate of VAT x Value of cake

$= 17\% \times 200$

$= \frac{17}{100} \times 200$

Value added Tax on Packet $= 34$ Rs

vi) A travel agency got 5% commission on the sales of tickets. If he sold tickets for Rs 2000000 in a day. Find the amount of commission.

Commission = Rate of commission x Selling Price

$= 5\% \times 2000000$

$= \frac{5}{100} \times 2000000$

$= 100,000$

Commission on sales of tickets = 100,000

vii) Rehan sold a plat for Rs 7000000 by an agent who recieved 2.5% Commission. Find amount of commission.

Commission = Rate of commission x Selling Price

$= 2.5\%$ 7000000

$= \frac{2.5}{100} \times 7000000$

$= 175,000$ Rs

Commision on sold a plat = 175,000 Rs