

Income, Spending and Tax

GRADE 8

MATHEMATICS

F1.2

F1.3

A plan needs three things: what comes in, what goes out, and the tax on what goes out. A 5% tax adds five cents to every dollar spent, so \$20.00 of spending really costs \$21.00.

PART A: TAX ON A PURCHASE

1. 5% tax on \$20.00 is \$_____.
2. 5% tax on \$40.00 is \$_____.
3. A \$20.00 item with 5% tax costs \$_____.
4. A \$40.00 item with 5% tax costs \$_____.

PART B: WHAT IS LEFT EACH WEEK

5. Income \$30 and spending \$12 leaves \$_____ a week.
6. Income \$25 and spending \$10 leaves \$_____ a week.
7. Saving \$18 a week for 6 weeks gives \$_____.

PART C: WHAT A PLAN NEEDS

8. A financial plan has to include:
☐ (A) income, spending and the goal amount ☐ (B) the goal amount only
☐ (C) the income only
9. 5% tax on \$60.00 is:
☐ (A) \$3.00 ☐ (B) \$6.00 ☐ (C) \$30.00

PART D: A WEEKLY PLAN WITH TAX

- 10.** Rajveer earns \$28 a week and spends \$12 a week before tax. With 5% tax on his spending, how much does he save each week?

SHOW YOUR WORK

Answer: _____

- 11.** At that rate, how much does Rajveer save in 10 weeks?

SHOW YOUR WORK

Answer: _____

PART E: PLAN FOR \$200

- 12.** Write a simple plan for reaching a \$200 goal. Give a weekly income, a weekly spending amount, and say how many weeks it would take.

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ANSWER KEY

1. \$1.00
2. \$2.00
3. \$21.00
4. \$42.00
5. 18
6. 15
7. 108
8. A) income, spending and the goal amount
9. A) \$3.00
10. \$15.40, because his taxed spending comes to \$12.60.
11. \$154.00.
12. Answers will vary. Check that the weekly saving is the income take away the spending, and that the number of weeks multiplied by that saving reaches at least \$200.

TEACHER NOTES

Reduced expectations: the tax is applied to single purchases in Part A before Part D folds it into a weekly plan, and the amounts are chosen so 5% always lands on a whole number of cents. The Standard sheet in this unit runs the tax through a full term and finds a shortfall.