Answer ALL ELEVEN questions.

Write your answers in the spaces provided.

You must write down all the stages in your working.

1   Chi received $348 in pay after tax was deducted.

Tax was deducted at a rate of 40%

(a) Calculate Chi's pay, in $, before the tax was deducted.

(2)

The tax should have been deducted at a rate of 25% and **not** 40%

(b) Calculate by how much, in $, Chi was underpaid.

(2)

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(Total for Question 1 is 4 marks)