

AI1110 Assignment 1

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Q8(c)

The printed price of an air conditioner is ₹ 45,000/-. The wholesaler allows a discount of 10% to the shopkeeper. The shopkeeper sells the article to the customer at a discount of 5% of the marked price. Sales tax (under VAT) is charged at the rate of 12% at every stage. Find:

- (i) VAT paid by the shopkeeper to the government.
- (ii) The total amount paid by the customer inclusive of tax.

Solution:

Marked Price = Rs.45,000/-

Sales Tax = 12%

Discount for shopkeeper = 10%

Discount amount for shopkeeper =

$$45000 \times \frac{10}{100} = Rs.4500$$

Selling Price for shopkeeper =

$$45000 - 4500 = Rs.40500$$

Sales Tax for shopkeeper =

$$40500 \times \frac{12}{100} = Rs.4860$$

Discount for customer = 5%

Discount amount for customer =

$$45000 \times \frac{5}{100} = Rs.2250$$

Selling Price for customer =

$$45000 - 2250 = Rs.42750$$

Sales tax for customer =

$$42750 \times \frac{12}{100} = Rs.5130$$

Hence,

i) VAT paid by shopkeeper to government =

$$5130 - 4860 = Rs.270$$

ii) Total Amount paid by customer =

$$42750 + 5130 = Rs.47880$$

The output of the program used for verification:

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VAT paid to government by shopkeeper = Rs.270
Amount paid by customer inclusive of tax = Rs.47880
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