COMPARING QUANTITIES

SALES TAX

Sales Tax

Sales tax is an indirect tax. In purchasing of some specified items from the market, we have to pay a certain extra amount (at a rate specified by the Government), in addition to the cost of the item. This additional amount is called sales tax.

Working Rules

Sales tax is calculated on the selling price in the same way as we calculate percentage.

- **Ex.1** Amar buys a pair of shoes costing Rs 470. If the rate of sales tax is 7%, calculate the total amount payable by him for shoes.
- **Sol.** Rate of sales tax = 7%

Sales tax = Rs $\frac{7}{100} \times 470$

$$=\frac{3290}{100}$$
 = Rs 32.90

Hence, total amount to be paid = Rs 470 + Rs 32.90 = Rs 502.90

- Ex.2 Rakesh purchased a cycle for Rs 660 including sales tax. If the rate of sales tax is 10%, find the selling price of cycle.
- **Sol.** Let the selling price be Rs x.

Sales tax = 10% of x

$$=\frac{10}{100} \times x = \frac{x}{10}$$

 \therefore Amount to be paid for the cycle

CLASS 8

MATHS

$$= x + \frac{x}{10} = \frac{1 \text{ k}}{10}$$

Now,
$$\frac{1 \text{ k}}{10} = 660 \text{ (given)}$$

Therefore,
$$x = \frac{60 \times 10}{11} = 600$$

Hence, the selling price of the cycle is Rs 600.

- Ex.3 Nazim purchases a motorcycle, having marked price of Rs 46,000 at a discount 5%. If sales tax is charged at 10%, find the amount Nazim has to pay to purchase the motorcycle.
- **Sol.** Marked price of motor cycle = Rs 46000

Discount = 5%

: Discounted price of motorcycle

$$= \operatorname{Rs}\left(46000 - 46000 \times \frac{5}{100}\right)$$

$$= \text{Rs} (46000 - 2300) = \text{Rs} 43700$$

Sales tax on Rs 43700 = Rs 43700 $\times \frac{10}{100}$ = Rs4370

Amount, Nazim has to pay for motorcycle

$$= \text{Rs} (43700 + 4370)$$

= Rs 48,070.