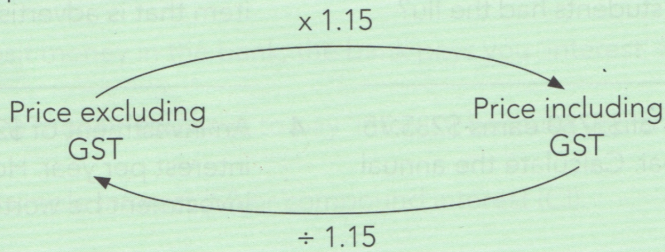


Calculating the pre-GST price and GST

You may be given the GST-inclusive price and asked to calculate a pre-GST price or how much GST is being paid on an item.



Example: A painting costs \$840 including GST. How much GST was paid?

$$\begin{aligned} \text{GST-exclusive price} &= \$840 \div 1.15 \\ &= \$730.43 \text{ (2 dp)} \\ \therefore \text{GST} &= \$840 - \$730.43 \\ &= \$109.57 \end{aligned}$$

This is the price without GST.

Calculate GST-exclusive prices for the following.

1 \$98

2 \$27.45

3 \$109.99

4 \$256.78

5 \$0.99

6 \$980.65

7 \$1.59

8 \$86.70

9 \$890.00

10 Derek bought a car for \$4999. How much GST was included in this price?

11 How much GST did Amanda pay on her ice cream that cost her \$3.45?

12 A car yard had a sale. It advertised that it would pay the GST on all cars sold. The salesman subtracted 15% from the full GST-inclusive price of \$5999 in order to calculate the sale price. Explain why his boss was angry, and calculate what the sale price should have been.
