

**Life without Tax (not!)**

Answer the following questions in the space provided. Show all your calculations.

1. Calculate the federal and provincial taxes on the following items, a binder costing \$2.49 and note paper costing \$1.97.
  
  
  
  
  
  
  
  
  
  
2. Judy wants to purchase a stereo for \$495. She is paid biweekly and her net pay is \$550.
  - a) Can Judy buy the stereo this pay period? Why or why not?
  
  
  
  
  
  
  
  
  
  
  - b) When should she make the purchase? Explain your reasoning.
  
  
  
  
  
  
  
  
  
  
3. Sally buys the following items: a clock for \$27.50 and a table for \$43.75. The store has a sale that states there is no GST. How much is her total purchase including taxes? (Note: the stores must pay the GST – what they do is give an equivalent discount of 7%.)