

Unit 2: Percents**2.5 - Percent and financial literacy****Types of Sales Tax**

GST - Goods and Services tax.
 • 5%

PST - Provincial Sales tax
 • 7%

Example:

A bike costs \$850 plus 5% GST and 7% PST. What is the total cost of the bike after tax?

Method 1: Find percent tax separately and add to total

GST: 5% of \$850
 $0.05 \times \$850 = \$42.50$

PST: 7% of \$850
 $0.07 \times \$850 = \$59.50$

Total cost

Price + GST + PST.
 $\$850 + \$42.50 + \$59.50$
 $= \$952$

Pros → smaller chunks
 → simple steps

Cons → more steps
 → may have to round more answers, which may result in errors.

Method 2: Use combined percent

100% + 5% + 7%
 Price GST PST
 $= 112\%$ of \$850
 $= 1.12 \times \$850$
 $= \$952$

Pros → less steps
 → more accurate.

Cons → combined % may be a trickier concept.

Name:

Math 9B

Date:

Sale discounts

Example - A pair of pants costs \$34.99 and are on sale for 25% off **plus tax**. How much do you end up paying for the pants?

Method 1: Find percent tax separately and add to total

Discount: 25% off.

25% of \$34.99

$$0.25 \times \$34.99 = \$8.75$$

$$34.99 - \$8.75 = \$26.24$$

GST 5% of \$26.24

$$0.05 \times \$26.24 = \$1.31$$

PST 7% of \$26.24

$$0.07 \times \$26.24 = \$1.84$$

Total Cost

Sales price + GST + PST

$$\$26.24 + \$1.31 + \$1.84$$

$$= \$29.39$$

Method 2: Use combined percent and percent of percent

Discount: ^{original} 100% - ^{discount} 25% = 75%

* So we only pay 75% of the original price

Tax: 100% + 5% + 7% = 112%
Sales price GST PST Total

112% of 75% of \$34.99

$$1.12 \times 0.75 \times \$34.99$$

$$= \$29.39$$

* Less steps

* Less chance of error.