**Question 9**

Lesley Bell owns Tiny Tots. She purchased the following goods from Horizon Baby Supplies:

3 Singing cribs at £90 each

2 Classic car seats at £75 each

**Terms:**

Trade discount: 30% if goods value £500 or over

20% if goods value under £500

Cash discount: 10% one month

VAT: 20%

To comply with tax laws, Horizon Baby Supplies will send Tiny Tots an invoice assuming the cash discount will not be taken up. However, they will also enclose an illustrative invoice showing the amount due if the cash discount is taken up.

On the worksheet provided, complete the illustrative invoice to be sent to Tiny Tots which shows the amount due if the cash discount is taken up.

**10**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **This invoice is for illustrative purposes**  (to be used ONLY if cash discount taken up)  **Horizon Baby Supplies**  Unit 3, Jenkins Way  GLASGOW  G76 3LK | | | | |  | |  | | **No: 1336** | |
|  | | | |  | |
|  | | | | | |
| Tel: 0141 629 4526 | | | | | |
|  |  | | | | |
|  | VAT No: 421 770 | | | | |
|  |  | | | | |  | | | | |
| To: | Tiny Tots | | | | | Date: 1 May Year 3 | | | | |
|  | 82 King Street | | | | |  | | | |  |
|  | GLASGOW  G11 4TY | | |  | | | | | | |
| **Quantity** | | **Description** | **Unit price**  **£** | | | | | **Cost**  **£** | | |
|  | |  |  | | | | |  | | |
|  | |  |  | | | | |  | | |
|  | |  |  | | | | |  | | |
|  | |  | **TOTAL** | | | | |  | | |
|  | |  |  | | | | |  | | |

**Working:**

| **Question** | **Expected answer(s)** | | | | **Max mark** | **Additional guidance** |
| --- | --- | --- | --- | --- | --- | --- |
| **9** | **Quantity** | **Description** | **Unit price**  **£** | **Cost**  **£** |  | If candidate does not have labels for Trade Discount, Cash Discount or VAT, do not give final total mark. (No requirement for a net goods value label). |
|  | 3 | Singing cribs | 90·00 | 270·00 | **1** | Mark is for entire line being correct. |
|  | 2 | Classic car seats | 75·00 | 150·00 | **1** | Mark is for entire line being correct. |
|  |  |  |  | 420·00 | **1** |  |
|  |  | Less Trade Discount |  | 84·00 | **2** | £420 × 20%  **1 mark** if candidate correctly calculates Trade Discount at 30%.  If Trade Discount is after VAT, max **1 mark** for correct application of discount rate. Watch for consequentiality. |
|  |  |  |  | 336·00 | **1** | If this figure arrived at without showing Trade Discount in the invoice (eg 80% of £420), give **1 mark** to missing trade discount figure. Do not double penalise candidates by not giving final total mark because there is no Trade Discount label. |
|  |  | Cash Discount |  | 33.60 | **1** | £336 x 10%  Do not give mark if cash discount is after VAT. |
|  |  |  |  | 302.40 | **1** | If this figure is arrived at without showing CD in the invoice (eg 90% of £336), then no CD mark to be given. They should still, however, be given a final total mark. |
|  |  | Add VAT |  | 60·48 | **1** |  |
|  |  | TOTAL |  | 362·88 | **1** |  |