**Question 14**

On 10 March Year 1, Highland Homes bought the following items from First for Floors:

* 8 packs of cherry laminate flooring
* 4 packs of Italiano floor tiles

**FIRST FOR FLOORS**

**PRICE LIST**

Maple laminate flooring £32·50 per pack

Cherry laminate flooring £27·50 per pack

Oak laminate flooring £21·00 per pack

Napoli floor tiles £60·00 per pack

Sicilia floor tiles £37·50 per pack

Italiano floor tiles £45·00 per pack

**Terms:** Trade discount 15%

Cash discount 10% one month

**VAT:** Charged at 20%

**Delivery:** £25 on orders under £500

FREE on orders of £500 or more

To comply with tax laws, First for Floors will send Highland Homes 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 Highland Homes 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)  **First for Floors**  17 Castle Street  INVERNESS  IV1 3AG | | | | | |  |  | **No: CN279** | |
|  | | | Tel: 01463 863 942 | | | | | | |
|  | | | | VAR VAT No: 86552820 | | |
|  |  | | | | | |  | | |
| To: | Highland Homes | | | | | | Date: 10 March Yr 1 | | |
|  | 81 Manor Road | | | | | |  | |  |
|  | Tain  IV19 6RS | | |  | | | | | |
| **Quantity** | | **Description** | | | **Unit price**  **£** | | **Cost**  **£** | | |
|  | |  | | |  | |  | | |
|  | |  | | |  | |  | | |
|  | |  | | |  | |  | | |
|  | |  | | | **TOTAL** | |  | | |
|  | |  | | |  | |  | | |

**Working**

**Working:**

| **Question** | **Expected answer(s)** | | | | **Max mark** | **Additional guidance** |
| --- | --- | --- | --- | --- | --- | --- |
| **14** | **Qty** | **Description** | **Unit price**  **£** | **Cost**  **£** |  | If candidate does not have labels for trade discount, cash discount, VAT or delivery, do not give final total mark. (No requirement for any net goods value label.) |
|  | 8 | Cherry laminate flooring | 27·50 | 220·00 | **1** | Mark is for entire line being correct. |
|  | 4 | Italiano floor tiles | 45·00 | 180·00 | **1** | Mark is for entire line being correct. |
|  |  |  |  | 400·00 | **1** |  |
|  |  | Less Trade Discount |  | 60·00 | **1** | £400 x 15%  Do not give mark if trade discount is after VAT. |
|  |  |  |  | 340·00 | **1** | If this figure is arrived at without showing trade discount in the invoice (eg 85% of £400), then no TD mark to be given. They should still, however, be given a final total mark. |
|  |  | Less Cash Discount |  | 34.00 | **1** | £340 x 10%  Do not give mark if cash discount is after VAT. |
|  |  |  |  | 306.00 | **1** | If this figure is arrived at without showing CD in the invoice (eg 90% of £340), then no CD mark to be given. They should still, however, be given a final total mark. |
|  |  | Add VAT\* |  | 61·20 | **1** |  |
|  |  | TOTAL |  | 367.20 | **\*** | For both totals. If candidate does not do a delivery charge, then award this total as the final total mark. |
|  |  | Delivery |  | 25·00 | **1** | If delivery is included before VAT calculation, no mark for delivery.  No mark if delivery deducted, but give final total mark.  If total of invoice is £500 or more, delivery mark should be awarded, although no entry may appear. |
|  |  | FINAL TOTAL |  | 392·20 | **1\*** | For both totals. |