

Question 1

(b) Michael has a credit card with a credit limit of €1000. Interest is charged monthly at 1.5% of the amount owed. Michael gets a bill at the end of each month. At the start of January, Michael owes €800 on his credit card. If Michael makes no repayments and no more purchases, show that he will exceed his credit limit after 15 months.



(c) Michael buys an item costing £95 on the internet and pays with his credit card. If the exchange rate is €1 = £0.8473, calculate, correct to the nearest cent, the amount that will be included on Michael's credit card bill.



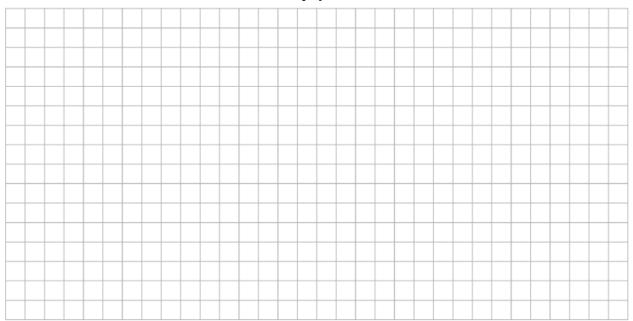
Question 1 (25 marks)

Alan pays income tax, a universal social charge (USC) and pay-related social insurance (PRSI) on his gross wages. His gross weekly wages are €510.

(a) Alan pays income tax at the rate of 20%. He has weekly tax credits of €63. How much income tax does he pay?



(b) Alan pays the USC at the rate of 2% on the first €193, 4% on the next €115 and 7% on the balance. Calculate the amount of USC Alan pays.



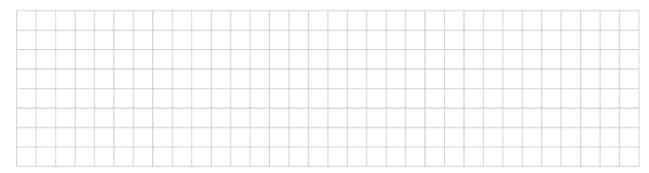
(c) Alan also pays PRSI. His total weekly deductions amount to €76.92. How much PRSI does Alan pay?



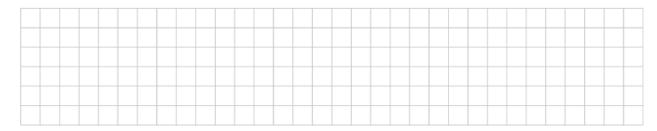
Question 3

A shopkeeper bought 25 school blazers at €30 each and 25 trousers at €20 each.

(a) Find the total cost to the shopkeeper.



(b) The shopkeeper sells a blazer and a trousers as a set for €89.95. Find her profit on this transaction.



(c) The shopkeeper sells 22 blazer and trouser sets at €89.95 each. She sells the remaining 3 sets at a discount of 20% on the selling price. Find her mark up (profit as a percentage of cost price) on the total transaction.

