

Costings Questions & Answers WMF Set 1

(Calculate all answers to nearest Euro)

Q.1 – Fitted Kitchen

A fitted kitchen uses materials costing €2,450. Labour takes 62 hours @ €18.50 per hour. Profit is charged at 30% and VAT @ 13.5% applies. If the customer pays cash, a 5% discount is allowed. What is the final price paid by the customer?

Fitted Kitchen Answer:

Materials =	€2,450
Labour = $62 \times €18.50 =$	<u>€1,147</u>
Cost before profit =	€3,597
+30% profit = $(3,597 \div 100 \times 30)$	<u>€1,079</u>
	€4,676.10
+13.5% VAT = $(4,676 \div 100 \times 13.5)$	<u>€631.27</u>
	€5,307.37
-5% cash discount =	<u>265.36</u>
	€5,042.00 Final Price = €5,042

Q.2 – Timber Floor

A timber floor covers 48m². Flooring costs €32 per m². Labour is charged at €22 per m². Profit is 25% and VAT @ 13.5%. Allow 3% cash discount. Calculate the final cost.

Timber Floor Answer:

Materials = $48 \times €32 = €1,536$	
Labour = $48 \times €22 = €1,056$	Cost before profit = €2,592
+25% profit = $€2,592 \times 1.25 = €3,240$	
+13.5% VAT = $€3,240 \times 1.135 = €3,677.40$	
-3% cash discount = $€3,677.40 - 3\% = €3,677.40 \times 3\% = €110.32$	
$€3,677.40 - 110.32 = €3,567.07$ or $€3,677.40 \times 0.97 = €3,567.07$	
	Final price = €3,567

Q.3 – Dining Table

An oak table requires timber costing €480. Labour takes 26 hrs @ €21 per hr. Overheads are charged at 10% of labour cost. Profit is 35% and VAT @ 23%. Find the selling price.

Dining Table Answer:

Materials = €480	
Labour = $26 \times €21 = €546$	
Overheads = 10% of €546 = €54.6	Cost before profit = €1,080.60
+35% profit = $€1,080.60 \times 1.135 = €1,458.81$	
+23% VAT = $€1,458.81 \times 1.23 = €1,794.33$	Selling price = €1,794

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Q.4 –Wardrobe Units

A bale of chipboard costing €820 produces 16 wardrobe units. Each unit takes 9 hours @ €16.80 per hour. Profit is 28% and VAT @ 13.5%. Calculate the price of one unit.

Wardrobe Units Answer:

Materials per unit = €820 ÷ 16 = €51.25

Labour = 9 × €16.80 = €151.20

+28% profit = €202.45 × 1.28 = €259.13

+13.5% VAT = €259.13 × 1.135 = €294.11

Cost before profit = €202.45

Price per unit = €294

Q.5 –Hardwood Floor

A hardwood floor uses materials costing €3,150. Labour costs €1,680. Profit is 20%, VAT @ 13.5%, and a 4% cash discount applies after VAT. Find the final price.

Hardwood Floor Answer:

Material €3,150 + Labour costs €1,680 = €4,830

+20% profit = €4,830 × 1.20 = €5,796

+13.5% VAT = €5,796 × 1.135 = €6,579

–4% cash discount = €6,579 × 0.96 = €6,315.32

Cost before profit = €4,830

Final price = €6,315

Q.6 – Kitchen Installation

Materials cost €4,200. Labour takes 74 hours @ €20 per hour. Profit is 30% and VAT @ 13.5%. Allow for a 6% cash discount. What does the customer pay?

Kitchen Installation Answer:

Material = €4,200

Labour = 74 × €20 = €1,480

+30% profit = €5,680 × 1.30 = €7,384

+13.5% VAT = €7,384 × 1.135 = €8,380.84

–6% cash discount = €8,380.84 × 0.94 = €7,877.98

Cost before profit = €5,680

Final price = €7,878

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Q.7 – Timber Floor

A room measures 22 m². Flooring costs €29 per m². Labour is €24 per m². Profit is charged @ 22% and VAT @ 13.5%. Calculate the cost of flooring the room.

Timber Floor Answer:

Materials = $22 \times €29 = €638$

Labour = $22 \times €24 = €528$

Cost before profit = €1,166

+22% profit = $€1,166 \times 1.22 = €1,423.52$

+13.5% VAT = $€1,423.52 \times 1.135 = €1,614.56$

Total cost = €1,615

Q.8 – Coffee Table

A furniture maker produces 10 coffee tables from timber costing €1,450. Each table takes 11 hours @ €18 per hour. Profit is 40% and VAT @ 23%. Find the selling price of one table.

Coffee Table Answer:

Materials per table = $€1,450 \div 10 = €145$

Labour = $11 \times €18 = €198$

Cost before profit = €343

+40% profit = $€343 \times 1.40 = €480.20$

+23% VAT = $€480.20 \times 1.23 = €590.65$

Selling price per table = €591

Q.9 – White Fitted Kitchen:

A small kitchen uses materials costing €1,980. Labour takes 41 hours @ €17.50 per hour. Profit is charged @ 25%, VAT @ 13.5%, and a 5% cash discount is applied. Calculate the final amount paid.

White Fitted Kitchen Answer:

Materials costs = €1,980

Labour = $41 \times €17.50 = €717.50$

Cost before profit = €2,697.50

+25% profit = $€2,697.50 \times 1.25 = €3,371.87$

+13.5% VAT = $€3,371.87 \times 1.135 = €3,827.07$

-5% cash discount = $€3,827.07 \times 0.95 = €3,635.71$

Final price = €3,636