

# Costings Questions & Answers WMF Set 2

(Calculate all answers to nearest Euro)

## Q.1 – Fitted Kitchen

A fitted kitchen uses materials costing €3,150. Labour takes 58 hours @ €28.50 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 =	€3,150
Labour = $58 \times €28.50 =$	<u>€1,653</u>
Cost before profit =	€4,803
+30% profit = $(4,803 \div 100 \times 30)$	<u>€1,440.90</u>
or $(4,803 \times 1.30)$	€6,243.90
+13.5% VAT = $(6,243.90 \div 100 \times 13.5)$	<u>€842.92</u>
	€7,086.82
-5% cash discount =	<u>354.34</u>
	€6,732.47 <b>Final Price = €6732</b>

## Q.2 – Timber Floor

A timber floor covers 55m<sup>2</sup>. Flooring costs €34 per m<sup>2</sup>. Labour is charged at €27 per m<sup>2</sup>. Profit is 25% and VAT @ 13.5%. Allow 4% cash discount. Calculate the final cost of the floor.

### Timber Floor Answer:

Materials = $55 \times €34 = €1,870$	
Labour = $55 \times €27 = €1,485$	<b>Cost before profit = €3,355</b>
+25% profit = $€3,355 \times 1.25 = €4,193.75$	
+13.5% VAT = $€4,193.75 \times 1.135 = €4,759.90$	
-4% cash discount = $€4,759.90 - 4\% = €4,759.90 \times 4\% = 190.39$	
$€4,759.90 - 190.39 = €4,569.50$ or $€4,759.90 \times 0.96 = €4,569.50$	
	<b>Final price = €4,570</b>

## Q.3 – Dining Table

A bespoke table requires timber costing €620. Labour takes 24 hrs @ €29 per hr. Overheads are charged at 12% of labour cost. Profit is 35% and VAT @ 23%. Find the selling price.

### Dining Table Answer:

Materials = €620	
Labour = $24 \times €29 = €696$	
Overheads = 12% of €696 = €83.52	<b>Cost before profit = €1399.52</b>
+35% profit = $€1399.52 \times 1.35 = €1,889.35$	
+23% VAT = $€1,889.35 \times 1.23 = €2,323.90$	<b>Selling price = €2,324</b>

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## Q.4 – Multimedia Unit

A bale of chipboard costing €960 produces 18 multimedia units. Each unit takes 8.5 hours @ €26.50 per hour. Profit is 28% and VAT @ 13.5%. Calculate the price of one unit.

### Multimedia Unit Answer:

Materials per unit =  $€960 \div 18 = €53$

Labour =  $8.5 \times €26.50 = €225.25$

+28% profit =  $€278.58 \times 1.28 = €356.58$

+13.5% VAT =  $€356.58 \times 1.135 = €404.71$

**Cost before profit = €278.58**

**Price per unit = €405**

## Q.5 –Maple Hardwood Floor

A hardwood floor uses materials costing €3,780. Labour costing 64hours @ €27.50 per hour. Profit is charged at 22%, VAT @ 13.5%, include a 3% cash discount. Calculate the final price.

### Maple Hardwood Floor Answer:

Material €3,780 + Labour costs €1,760 = €5,540

+22% profit =  $€5,562 \times 1.20 = €6,758.8$

+13.5% VAT =  $€6,758.80 \times 1.135 = €7,671.23$

-3% cash discount =  $€7,671.23 \times 0.97 = €7,441.1$

**Cost before profit = €4,830**

**Final price = €7,441**

## Q.6 – Kitchen Installation

Materials cost €4,850. Labour takes 72 hours @ €30 per hour. Profit is 30% and VAT @ 13.5%. Allow for a 6% cash discount. What does the customer pay?

### Kitchen Installation Answer:

Material = €4,850

Labour =  $72 \times €30 = €2,160$

+30% profit =  $€7,010 \times 1.30 = €9,113$

+13.5% VAT =  $€9,113 \times 1.135 = €10,343.25$

-6% cash discount =  $€10,343.25 \times 0.94 = €9,722.65$

**Cost before profit = €7,010**

**Final price = €9,723**

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## Q.7 – Fitted Wardrobes

A fitted wardrobe requires materials costing €1,150. Labour takes 42 hours @ €28 per hour. Profit is charged at 25% and VAT @ 23% applies. Calculate the finished price.

### Fitted Wardrobes Answer:

Materials = €1,150

Labour =  $42 \times €28 = €1,176$

+22% profit =  $€2,326 \times 1.25 = €2,907.5$

+23% VAT =  $€2,907.5 \times 1.23 = €3,576.22$

**Cost before profit = €2,326**

**Total cost = €3,576**

## Q.8 – Coffee Table

A furniture maker produces 12 coffee tables from timber costing €2,040. Each table takes 10.5 hours @ €27 per hour. Profit is 40% and VAT @ 23%. Find the selling price of one table.

### Coffee Table Answer:

Materials per table =  $€2,040 \div 12 = €170$

Labour =  $10.5 \times €27 = €283.50$

+40% profit =  $€453.50 \times 1.40 = 634.90$

+23% VAT =  $€634.90 \times 1.23 = €780.93$

**Cost before profit = €453.50**

**Selling price per table = €781**

## Q.9 – Ash Fitted Kitchen

A small kitchen uses materials costing €2,280. Labour takes 39 hours @ €26.50 per hour. Profit is charged @ 25%, VAT @ 13.5%, and a 5% cash discount is applied. Calculate the final amount paid by the customer.

### Ash Fitted Kitchen Answer:

Materials costs = €2,280

Labour =  $39 \times €26.50 = €1,033.50$

+25% profit =  $€3,313.50 \times 1.25 = €4,141.87$

+13.5% VAT =  $€4,141.87 \times 1.135 = €4,701.02$

-5% cash discount =  $€4,701.02 \times 0.95 = €4,465.97$

**Cost before profit = €3,313.50**

**Final price = €4,466**