



In this activity you will learn:

- how invoices are worked out
- how to check invoices
- about discounts and Value Added Tax (VAT).

## Student information sheet: what is an invoice?

An **invoice** is a record of goods supplied to a customer with the amount owed.

An invoice is an important record and should be kept carefully. It shows things such as the supplier's name and address, information about the goods, discounts and VAT.

Here is a simplified invoice for some plumbing goods.



INVOICE		BLOGGS BUILDERS' MERCHANTS 2 LEEDS ROAD WINTON		
Code	Description	Quantity	Unit cost	Gross
680300	WY049 Waste pipe 2 m	1	2.39	2.39
680800	WY117 Knuckle bend	6	1.39	8.34
680400	WY133 Socket plug	4	2.07	8.28
				19.01
5 % discount				0.95
				18.06
Terms: 7 days				VAT @ 20 %
				3.61
				<b>TOTAL</b>
				£21.67

**Think about**  
How to check the amounts in the last column.

**Try this one**  
Fill in the gaps.

INVOICE		J & C CATERERS Ltd 27 MARKET ST DOWNTON		
Description	Quantity	Unit cost	Gross	
Sandwiches	72	0.80		
Vol-au-vents	60	0.47		
Bowls of salad	6	2.55		
French loaves	6	0.70		
5 % discount				
Terms: Monthly				VAT @ 20 %
				<b>TOTAL</b>

Electricity bills are quite complicated. Work through this one with your tutor.

MIDELEC		ELECTRICITY BILL			
Mr J SMITH 24 BRIDGE ST MIDTOWN MN4 6EW			Customer number 32 18190		
Meter readings					
Present reading	Previous reading	Units used	Tariff	Pence/kWh	Amount £
85089	84142	225	First unit rate	21.83	49.12
		722	Next unit rate	12.51	90.32
			Total charges this quarter excluding VAT		139.44
			VAT 5 % on	139.44	6.97
Period ended		Date of issue			
02 11 2010		02 11 10	<b>BALANCE DUE</b>		146.41

### Think about

Whether amounts are in pounds or pence.

How to change pence to pounds.

Do you add or subtract discounts?

Do you add or subtract VAT?

### To answer

Use the Excel Workbook 'Invoices' to produce three different invoices.

For each invoice enter figures in the blue cells.

For each invoice:

- 1 Type your name next to customer.
- 2 Make up your own figures to put in the blue cells.
- 3 Print a copy of the completed invoice.
- 4 Two of the invoices have a mistake in the calculations. Find the mistake and correct the bill.
- 5 By each of the letters A, B, C..., write what the amount is for (such as 'standing charge'). Also write down what you would enter into your calculator to get the same answer.

### At the end of the activity

What is an invoice?

How do you work out 10 %, 5 %, 20 %?

What do you do with a discount?

What is VAT? What do you do with it?

Do you prefer to work things out with a calculator or a spreadsheet? Why?

