Conditions

mr and mrs smith have just received their gas bill. the details are as follows:

previous meter reading   71200
present meter reading   72720

cost per unit   6.52 pence per unit
fixed standing charge   £12.25

VAT   5%

Calculate the cost if the gas bill including VAT.

Solution

First, let's find the difference between previous meter ant present meter readings:

$$72720 - 71200 = 1520$$

Then the cost of these units are:

$$1520 \cdot 6.52 = 9910.4 \; or \; £99.104$$

Plus, we must add the fixed standing charge:

$$99.104 + 12.25 = 111.354$$

And after this, the VAT is 5% of all sum. So, the cost of gas bill including VAT is:

$$111.354 \; 1 + 0.05 \; = 116.9217 \approx £116.92$$

Answer: £116.92