

LC 2016 (SET A): PAPER 1

QUESTION 6 (25 MARKS)

Gross fortnightly wage = €1550

Question 6 (a)

Income tax

20% of €1300 = €1300 × 0.2 = €260

40% of €(1550 – 1300) = €250 × 0.4 = €100

Gross income tax = €260 + €100 = €360

Tax credits = €126

Net income tax = €360 – €126 = €234

Question 6 (b)

USC

1% of €462 = €462 × 0.01 = €4.62

3% of €214 = €214 × 0.03 = €6.42

5.5% of €(1550 – 462 – 214) = €874 × 0.055 = €48.07

Total USC = €4.62 + €6.42 + €48.07 = €59.11

Question 6 (c) (i)

PRSI = €18

Total deductions = €234 + €59.11 + €18 = €311.11

Question 6 (c) (ii)

$$\frac{311.11}{1550} \times 100\% = 20.1\%$$

MARKING SCHEME NOTES

Question 6 (a) [Scale 5C (0, 2, 4, 5)]

- 2:**
- Sets up 20% of 1300
 - calculates €250
 - Finds €260 or €100
- 4:**
- Finds €260 and €100, or finds €360

Question 6 (b) [Scale 10C (0, 2, 5, 10)]

- 2:**
- Finds one correct amount
 - Formulates a % correctly
 - Finds €874 or €676
- 5:**
- Finds two correct amounts

Question 6 (c) (i) & (ii) [Scale 10C (0, 2, 5, 10)]

- 2:**
- €234 or €59.11 written in this section
 - Some correct addition for (c)(i)
- 5:**
- Correct deductions found, €311.11
 - Formulates % correctly for (c)(ii)