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QUESTION 1

Before the beginning of a winter sale, a shop assistant was asked to reduce the prices of all items in the store by 12.5%. She calculated the new prices and attached new tags to the goods. At the end of the sale she was asked to put the old prices back. Unfortunately, the shop assistant had thrown the old tags away as she did not think she would need them again. She decided to add 12.5% to the sale prices. If the shop assistant proceeds in this manner, will she get back to the original prices? Explain your answer.

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QUESTION 2

If GST is 10% added to the price of an item, why do we divide the price we pay for the item by 11 to calculate the GST included?