



Instructions: Work out the money maths and use the answer bank to check. Read the Did you know? box. Number the 4 steps in order, tick True or False, match each word to its meaning, then write short answers.

1. Money maths

Answer bank: (£1) (£10) (£12) (£12.20)

Question	Answer
£10 + 20% VAT =	
€10 + 22% IVA =	
20% of £5 =	
£12 ÷ 1.2 =	

About this topic

Taxes are money that people and businesses pay to the government. The government uses it for public services everyone shares: schools, hospitals, roads, police, fire services, parks, libraries and help for people who need it. Without taxes, each family would have to pay privately for all these things.

Did you know?

- VAT was introduced in the UK in 1973.
- Italy introduced IVA in 1973 too.
- In the UK, most food and children's clothes have 0% VAT.



A customer pays at Tayo's stall and gets a receipt

2. Put the steps in order

Write 1 to 4 in the boxes (1 = first).

- ☐ Collect: Tax offices collect the money
- ☐ Benefit: Everyone uses the public services
- ☐ Earn: People earn money and businesses make sales
- ☐ Spend: Money pays for schools, hospitals and roads

3. True or false?

Taxes help pay for schools and hospitals.	☐ True	☐ False
VAT in Italy is called IVA.	☐ True	☐ False
VAT is always 50%.	☐ True	☐ False
Tax rates never change.	☐ True	☐ False

4. Match up

Write the letter of the right meaning in the box.

Tax	A. The Italian name for VAT.
VAT	B. Money paid to the government to fund public services.
IVA	C. Tax on money people earn.
Income tax	D. Value Added Tax: a tax added to the price of most goods and services.

5. Short answers

- Name three public services paid for by tax.

- What is VAT?

- What is the standard VAT rate in the UK and Italy (at the time of writing)?

- Explain in your own words: Why do governments collect taxes?

- Stretch: Explain what VAT is in your own words.

