

Calculate the stamp duty to be paid on the purchase of a new Mazda that has a recommended retail price of \$57 000.

Solve	Think	Apply
Stamp duty $= 0.03 \times 45\,000 + 0.05 \times (57\,000 - 45\,000)$ $= \$1950$	$3\% = 0.03$ $3\% \text{ of } \$45\,000 = 0.03 \times \$45\,000$ The value over \$45 000 $= \$57\,000 - \$45\,000$ $5\% = 0.05$ $5\% \text{ of the value over } \$45\,000$ $= 0.05 \times (\$57\,000 - \$45\,000)$	If the price paid for the car is not more than \$45 000, the stamp duty is 3% of its price. If the price is more than \$45 000, the stamp duty is 3% of \$45 000 (\$1350) plus 5% of \$(price - 45 000).

- a Calculate the total cost of purchasing a new Ford with a recommended retail price (RRP) of \$37 000 and weight of 1704 kg. The CTP insurance for the car is \$487 and the dealer delivery charge is \$528. The car is for private use and the owner decides to take out comprehensive insurance that costs \$960 for the first year.
- b If the buyer receives a trade-in of \$15 000 on her old vehicle, what is the total cost for changing to the new car?

	Solve	Think	Apply
a	RRP = \$37 000 Registration = \$448 Stamp duty = $0.03 \times \$37\,000$ $= \$1110$ CTP insurance = \$487 Dealer delivery = \$528 Comprehensive insurance = \$960 Total = \$40 533	The weight of the car (1704 kg) is in the range 1505 kg to 2504 kg. From Table 10-1, the registration cost for private use is \$448. The RRP of the car is less than \$45 000; so stamp duty is 3% of its price (\$37 000). Add all costs to the RRP of the car.	Use the weight of the vehicle to determine the registration cost from Table 10-1. Calculate the stamp duty. Add all the extra costs to the RRP of the car.
b	Changeover price $= \$40\,533 - \$15\,000$ $= \$25\,533$	Total cost = \$40 533 Trade-in price = \$15 000 Changeover price is the difference.	The changeover price is the total price of the vehicle less the trade-in.