

**Example 3**

- a) You take your car in to your local garage to get the oil changed and the tires rotated. The estimate is that the job will take 0.75 hours. If the rate for labour at the garage is \$78/hr, determine the labour charge before taxes.

Labour charge = no. of hours  $\times$  labour cost per hour

Given  
labour cost per hour = \$78/hr  
no. of hours = 0.75 hr

$$= 0.75 \text{ hr} \times \$78$$

$$= \boxed{\$58.50}$$

- b) The tire rotation does not require any new parts, but the oil change requires 5 litres of oil at \$2.60 per litre, and a new oil filter that costs \$11.25. Determine the cost of parts for this job, before taxes.

TOTAL cost of parts = Cost of oil filter + Cost of (5L) oil.

Given  
1. Oil filter = \$11.25  
2. 5L of oil =  $5 \times 2.60$

$$= \$11.25 + (5 \times 2.60)$$

$$= 11.25 + 13$$

$$= \boxed{\$24.25}$$

- c) Recent provincial legislation has mandated that both parts AND labour are charged PST (7%) and GST (5%). Determine the total cost of the car maintenance, after taxes.

Total cost of maintenance = (labour cost + Parts cost) + taxes

Given  
Labour cost = \$58.50  
Parts cost = \$24.25  
PST = 7% } 12%  
GST = 5% }

$$= (58.50 + 24.25) \times 1.12$$

$$= 82.75 \times 1.12$$

$$= \boxed{\$92.68}$$