

Name: _____

Date: _____

Flowers'N Trees Nursery: Owning A Business

Part D: Making a Major Purchase



When starting your own business, there are a number of “big ticket” items that a nursery requires. Today, you will consider the purchase of a small greenhouse to be able to start your own plants from seeds. It would be ideal to plant them in March and be able to pot them in June and sell them to customers. The seedlings might include tomatoes, flowers for hanging baskets, and herbs.

The greenhouse that is best for the nursery is one that is 8” x 12” in dimension. You are considering options to pay for the starter greenhouse. The list price of the small greenhouse is \$2399.00

1. Determine the **after-tax cost** of the greenhouse. HST is 13%.
2. You can do layaway. You would give 10% down and pay the remainder on pickup in up to 6 months. Determine the amount that you would pay upon **pickup in 6 months**.
3. You can choose the Rent-to-Own option. It is a monthly fee of \$162.90, with a maximum rental period of 24 months. Determine the amount that she would **pay at the end** of the rental period.
4. You could choose an Installment Plan. There is a deferral charge of \$39 plus the HST at the time of purchase, and then 20 monthly payments of \$150.25. Determine the **total amount** that you would pay under this plan.

