

6.5 Discount and Markup (Part 1)

A store sells items for more than it pays for those items. The amount of increase is called the markup. The percent of markup is a percent of increase. The selling price is the amount the customer pays for an item.

METHOD 1

Step 1: Find the amount of markup.

$$0.25 \cdot \$256 = \$64$$

Step 2: Add to find the selling price.

$$\$256 + \$64 = \$320$$

METHOD 2

Step 1: Add % markup to 100% to find the % you pay.

$$100\% + 25\% = 125\%$$

Step 2: Multiply to find the sale price.

$$1.25 \cdot \$256 = \$320$$

Example: Find the selling price if a store pays \$42 for a pair of in-line skates and the markup is 25%.

Method #1

$$\begin{array}{r}
 42 \\
 \times 0.25 \\
 \hline
 210 \\
 + 840 \\
 \hline
 10.50
 \end{array}$$

42.00
+ 10.50
\$52.50

Method #2

$$100 + 25 = 125\%$$

$$\begin{array}{r}
 1.25 \\
 \times 42 \\
 \hline
 250 \\
 + 5000 \\
 \hline
 52.50
 \end{array}$$

\$52.50

Example: Find the selling price if a store pays \$68 for a portable DVD player, and the markup is 35%.

Method #2

$$100 + 35 = 135\%$$

$$1.35$$

$$\begin{array}{r} \begin{array}{c} 2 \\ 2 \end{array} \\ \begin{array}{r} 1.35 \\ \times 68 \\ \hline 1080 \\ + 8100 \\ \hline 9180 \end{array} \end{array}$$

$$\boxed{\$91.80}$$

Example: Find the selling price if a store pays \$75 for a bike and the markup is 40%.

Method #2

$$100 + 40 = 140\%$$

$$1.40$$

$$\begin{array}{r} \begin{array}{c} 2 \\ 2 \end{array} \\ \begin{array}{r} 1.4 \\ \times 75 \\ \hline 170 \\ + 980 \\ \hline 1050 \end{array} \end{array}$$

$$\boxed{\$105}$$

Example: Find the selling price for a pair of \$22 jeans and the markup is 20%.

Method #1

$$\begin{array}{r} 22 \\ \times 0.2 \\ \hline 4.4 \end{array}$$

$$\begin{array}{r} 22.0 \\ + 4.4 \\ \hline \boxed{\$26.40} \end{array}$$

Example: A local technology store purchases their flash drives from a supplier for \$12. Their markup to sell is 35%. Find the selling price that you would pay.

Method #2:

$$100 + 35 = 135\%$$

$$1.35$$

$$\begin{array}{r} 1.35 \\ \times 12 \\ \hline 270 \\ 1350 \\ \hline 1620 \end{array}$$

$$\boxed{\$16.20}$$