7-6 Vocabulary

1. **Markup** – the difference between the retail and wholesale.

Formula: Finding the Amount of Markup

Markup = Retail – Wholesale price

Example 1: A store buys a shirt at a wholesale price of $13.50 and sells the shirt for $24.95 What is the amount?

Formula: Markup = Retail – Wholesale price
$$= 24.95 - 13.50$$
$$= 11.45$$

Answer: The amount of markup is $11.45

Formula: Finding a Percent of Markup

$$\text{Percent of markup} = \frac{\text{Markup}}{\text{Wholesale price}}$$

Example 2: What is the percent of markup for the shirt in example 1?

$$\text{Formula: Percent of markup} = \frac{\text{Markup}}{\text{Wholesale price}}$$

$$= \frac{11.45}{13.50} \qquad = 0.85 \qquad = 85\%$$

Answer: The percent of markup is about 85%

Example 3: You are the manager of a jewelry store. You buy a ring at a wholesale price of $180. Your percent of markup is 150% Find the retail price.

Formula: Markup = Percent of markup · Wholesale price

$$= 150\% \cdot 180$$
$$= 1.5 \cdot 180 \text{ (write percent in decimal form)}$$
$$= 270$$

Then find the sum of the amount of markup and the wholesale price.

Formula: Retail price = Wholesale price + Markup

$$= 180 + 270$$
$$= 450$$

Answer: The retail price is $ 450.

2. Discount – when an item is on sale, the difference between the regular price and the sale price.

Formula: When finding a Percent of Discount

Discount = Regular price – Sale price

Example 1: A $36 book is on sale for $27

a. Find the amount of discount.

Discount = Regular price – Sale price

$$= 36\text{-}27$$
$$= 9$$

Answer: The discount is $9.

b. Find the percent of discount.

Percent of discount = $\dfrac{\text{Discount}}{\text{Regular price}}$

$= \dfrac{9}{36}$ $= 0.25$ $= 25\%$

Answer: The percent of discount is 25%