6.6 Discounts & Markups

discount – a decrease in the original price of an item (price goes DOWN)
markup – the increase from what the store pays to what they sell it for (price goes UP)

> **To find Markup/Discount…**
> Step 1: Find % of
> Step 2: Add or Subtract (markup/discount)

Ex: The original price of the shorts is $35.
Find the sale price in 2 different ways.

Step 1: % of Step 2: + / −

25% of $35
(0.25)(35)
$8.75 discount

35.00
− 8.75
$26.25

100% − 25% = 75%

75% of $35
(0.75)(35)
$26.25

Ex: What was the original price of the shoes?

100% − 40% = 60%

60% of ? = 33

$\frac{0.60\ x}{0.60} = \frac{33}{0.60}$

$x = \$55$ was the original price

Ex: A store pays $70 for a bicycle. The percent of markup is 20%. What is the selling price?

Step 1: % of Step 2: (+)/(−)

20% of $70

(0.20)(70)

$14

markup

$70

+ $14

$84

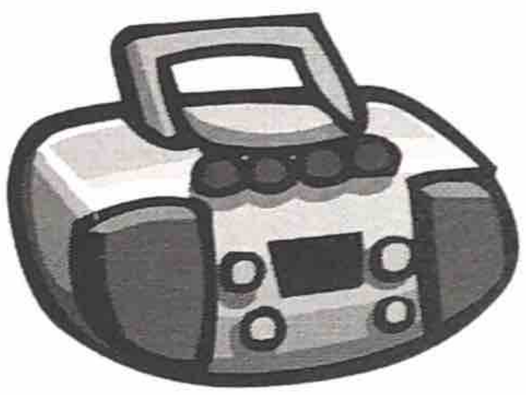
100% + 20% = 120%

120% of $70

(1.20)(70)

$84

Ex: A $129.50 stereo is discounted 40%. The next month, the sale price is discounted 60%. Is the stereo now free? If not, what is the sale price?



after 40% off:

60% of $129.50

$77.70

after another 60% off:

40% of $77.70

$31.08

not free!

Ex: You buy a pair of jeans that normally cost $39.99. They are on sale for 25% off. You also have to pay 6.5% tax. What is the total you owe?

(−) (+)

New price:

100% − 25% = 75%

75% of $39.99

(0.75)(39.99)

$29.99

After tax:

100% + 6.5% = 106.5%

106.5% of $29.99

(1.065)(29.99)

$31.94