

Markup, Discount and Tax

Markup is added to the price of an item by a store

Ex) Husky buys Coke for \$0.70 per can and marks up the price by 25%, what do they sell them for?

$$100 + 25$$

$$\frac{125}{100} = \frac{x}{\$0.70}$$

$$125 \times \$0.70 \div 100 = 0.875$$

$$\$0.88$$

Discount is subtracted from a price

Ex) A shirt normally costs \$85.60 but is on sale, 30% off, what is the new price?

$$100 - 30$$

$$\frac{70}{100} = \frac{x}{\$85.60}$$

$$70 \times \$85.60 \div 100 = 59.92$$

$$\$59.92$$

Tax is added to the price of an item, there are 2 taxes GST and PST. PST is different in different provinces

Ex) GST is 5%, PST in BC is 7%, What is the after tax cost of a shirt which costs \$65?

$$100 + 5 + 7$$

$$\frac{112}{100} = \frac{x}{\$65}$$

$$112 \times \$65 \div 100 = 72.8$$

$$\$72.80$$