Sections 7.1 and 7.2

Cost - amount paid for an item after discounts

Selling Price - the price the merchandise is sold to the public

Markup, Margin, or gross profits - difference between cost and selling price

Operating Expenses - expenses of running the business

Net Profits - amount remaining for business after all expenses are paid

Markup on cost or Markup on Selling Price - telling you the base in the problem
A business buys a calculator for $98.50 and sells it for $134.99. What is the percent markup on cost?

\[ R = \frac{P}{B} = \frac{36.49}{98.50} = 0.37 \Rightarrow 37\% \]
A company marks up its diamonds at 335% on cost. So if we sell a diamond for $1545, what was the cost and how much was the actual markup?

\[
\begin{align*}
100 & \quad \underline{355.17} \quad \leftarrow \quad B \\
R & \quad \underline{-335} \quad \underline{1189.83} \quad -P \\
435 & \quad \underline{S} \quad \underline{1545}
\end{align*}
\]

\[
B = \frac{1545}{4.35} = 355.17
\]

\[
P = RB \Rightarrow 355.17(3.35) = 1189.82
\]

Hit Sports buys a 12 pack of basketballs for $145. If they markup on cost by 23%, what will they sell EACH ball individually for?

\[
\begin{align*}
100 & \quad \underline{12.08} \quad -B \\
23 & \quad \underline{M} \quad 2.78 \\
\frac{145}{12} & = \$12.08
\end{align*}
\]

\[
R - 123 \quad \underline{S} \quad \underline{14.86}
\]

\[
P = RB \Rightarrow 12.08(1.23) = 14.86
\]
Bears had a markup of $46.64 on golf clubs sold for $222.64. Find the cost, the markup percent on cost and the selling price.

\[
\begin{align*}
100 & \quad C \quad 176 \quad - \quad B \\
R & \Rightarrow \ 26.5 & \quad M & \quad 46.64 & \quad - & \quad P \\
126.5 & \quad S & \quad 222.64
\end{align*}
\]

\[
R = \frac{P}{B} = \frac{46.64}{176} = 26.5\%.
\]

Section 7.2 - Markup on selling price

Same idea as 7.1 except your selling price is your base
A laptop sells for $849.99 and costs $385. Find the percent markup on selling price and the markup amount.

\[
\begin{align*}
45.3 \quad \text{C} & \quad 385 \\
\frac{R}{100} \quad M & \quad 464.99 - P \\
\frac{S}{849.99} \quad B & \quad \frac{464.99}{849.99} = 54.7\%.
\end{align*}
\]

DSW sells a pair of Nike's for $135. They have a markup on selling price of 45%. What is the cost and the amount markup?

\[
\begin{align*}
R \quad 55 \quad C & \quad 74.25 \quad P \\
45 \quad M & \quad 60.75 \\
\frac{S}{135} \quad B & \quad \frac{135(0.55)}{74.25} = 74.25 \\
B = \frac{P}{R} & \quad R = \frac{P}{B}.
\end{align*}
\]
What is the selling price for a hutch that cost $395 but has a markup on selling price of 85%?

\[
\begin{align*}
R & \quad 15 \quad C \quad 395 \quad -P \\
85 & \quad M \quad 2238.33 \\
100 & \quad S \quad 2633.33 \quad - B \\
\end{align*}
\]

\[
B = \frac{P}{R} = \frac{395}{.15} = 2633.33
\]

A business buys a set of 10 office chairs for $997. They markup on selling price at 35%. Find the selling price for each chair when they split the package.

\[
\begin{align*}
R & \quad 65 \quad C \quad 99.70 \quad -P \\
35 & \quad M \quad 53.68 \\
100 & \quad S \quad 153.38 \quad - B \\
\end{align*}
\]

\[
B = \frac{P}{R} = \frac{99.70}{.65} = 153.38
\]
What would 35% markup on cost be equivalent to in selling price?

\[ \frac{35}{100 + 35} = \frac{35}{135} = 25.9\% \]

What would 35% markup on selling price be equivalent to on cost.

\[ \frac{35}{100 - 35} = \frac{35}{65} = 53.8\% \]
A company buys 140 pounds of bananas for $65 with a 55% markup on selling price. In every purchase, they assume 10% will go unsold/spoil. How much should they sell per pound for bananas?

\[ B = \frac{P}{R} = \frac{65}{.45} = \$144.44 \]

\[ 140 \times .9 = 126 \]

\[ \frac{144.44}{126} = 1.15 \]

Have a good day