

# Sales Tax, Tips, and Markups

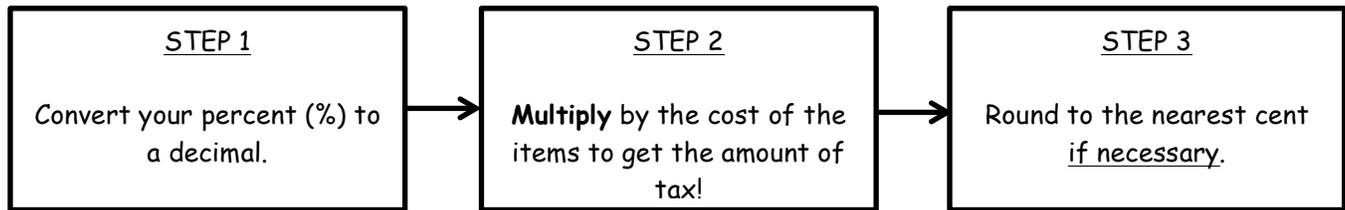
## Lesson 2-6

### I. SALES TAX

- **Tax** - is the amount our government charges us to buy an item.
- **Total Cost** - is the amount of an item including the tax.
- **Rate** - is talking about a percent (%).

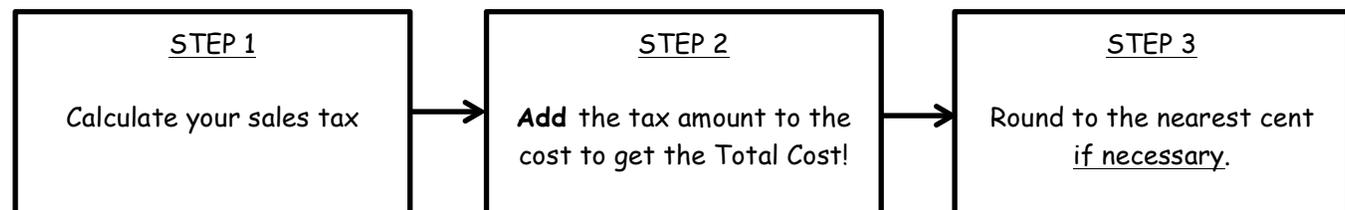


1) Sales tax is 7%. Find the amount of tax on a pair of Jordans that sell for \$165.



$$7\% = \underline{\hspace{2cm}} \quad \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \quad \underline{\hspace{2cm}} = \text{Tax Amount}$$

#### Total Cost including Tax:



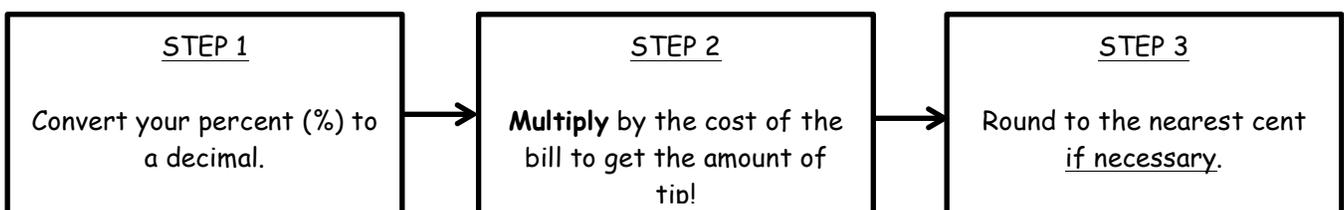
$$\underline{\hspace{2cm}} = \text{Tax Amount} \quad \underline{\hspace{2cm}} + \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \quad \underline{\hspace{2cm}} = \text{Total Cost}$$

### II. TIPS

- **Tip/Gratuuity** - is a small amount of money in return for a service.
- **Total Cost** - is the amount of the service plus the tip.

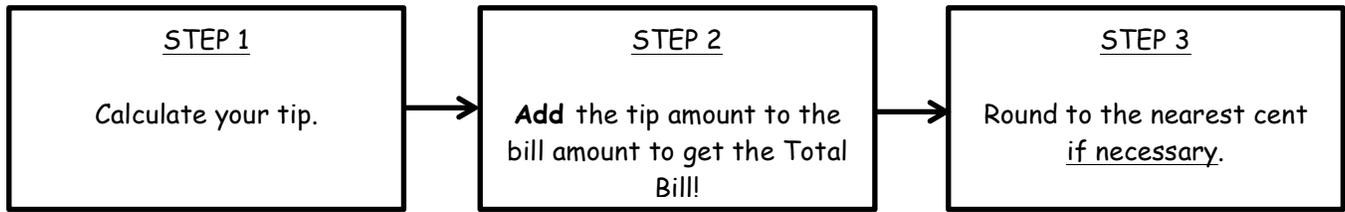


1) At Applebee's, your total bill is \$35, and you want to tip 15%. What will be the total bill with tip?



$$15\% = \underline{\hspace{2cm}} \quad \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \quad \underline{\hspace{2cm}} = \text{Tip Amount}$$

**Total Bill including Tip:**



\_\_\_\_\_ = Tip Amount

\_\_\_\_\_ + \_\_\_\_\_ = \_\_\_\_\_

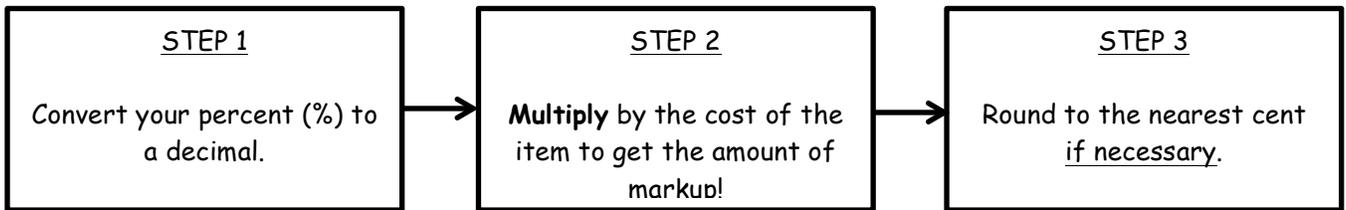
\_\_\_\_\_ = Total Bill

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**III. MARKUP**

- **Wholesale price** - The price paid when large quantities of products are purchased in order to sell them at a profit.
- **Markup** - is the amount the price of an item is increased above the price the store paid for the item.
- **Selling price** - is the amount a customer pays for an item.

1) A store pays \$3.00 for a pair of earrings. The markup is 25%. Find the selling price.

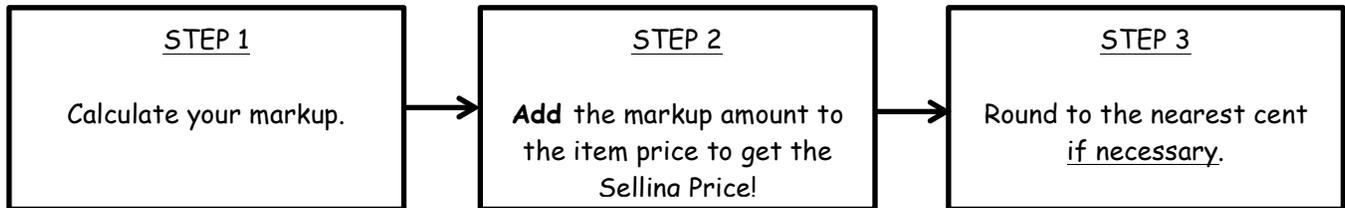


25% = \_\_\_\_\_

\_\_\_\_\_ × \_\_\_\_\_ = \_\_\_\_\_

\_\_\_\_\_ = Markup Amount

**Selling Price:**



\_\_\_\_\_ = Markup Amount

\_\_\_\_\_ + \_\_\_\_\_ = \_\_\_\_\_

\_\_\_\_\_ = Selling Price

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**DIRECTIONS: Find the total cost to the nearest cent.**

1) \$2.95 notebook; 5% tax

2) \$28 lunch; 15% tip

3) \$8.50 yoga mat; 75% markup