

Name: _____

Unit 3 - Finance

3.2 - Price Markups

- Retail stores buy goods from wholesalers and then try to sell the goods for more than they cost.
- The amount by which the wholesale **price** is increased is called the **markup** or **profit**

$$\text{Retail Price} = \text{Wholesale Price} + \$\text{Markup}$$

- Use the following proportion to determine the amount of markup when you are given the % price increase:

$$\frac{\text{Percent Markup}}{100} = \frac{\$ \text{Markup}}{\text{Wholesale Price}}$$

Examples

1. An item with a wholesale value of \$15 is marked up by 30%.

a) What is the amount of markup?

Percent Markup = Wholesale Price = Amount of Markup =

Setup the ratio: Solve the ratio:

b) What will be the retail price?

Wholesale Price = \$Markup =

→ Retail Price = + =

2. An item with a wholesale value of \$40 is marked by 250%.

a) What is the amount of the markup?

b) What will be the retail price?

3. An item with a wholesale value of \$90 is given a markup of \$15.
- What is the **percentage markup** on the item?
 - What will be the retail price?
4. An item with a **wholesale price** of \$200 is marked up to a **retail price** of \$550.
- What is the amount of the markup?
 - What is the percentage markup on the item?
5. An item was given a 60% markup which increased the cost of the item by \$15.
- What was the wholesale cost of the item?
 - What was the retail price of the item?