

$$SP = P_p + m$$

Lesson 101: Percent Markup

S_p = Selling Price = what customer pays

P_p = Purchase Price = what company pays

m = mark up ←

Ex. 101.1 The selling price was \$48. If the markup was 20 percent of the purchase price, what was the purchase price? What was the markup?

$$S_p = P_p + m$$

$$48 = P_p + .2 P_p$$

$$48 = 1.2 P_p$$

$$\frac{48}{1.2} = \frac{1.2 P_p}{1.2}$$

$$P_p = \$40$$

$$m = \$8$$

Ex. 101.2 The purchase price of an item was \$1800. If the markup was 40 percent of the selling price, what was the selling price and mark up?

$$S_p = P_p + m$$
~~$$1800 = P_p + m$$~~

$$S_p = 1800 + .4 S_p$$

$$- .4 S_p \qquad - .4 S_p$$

$$.6 S_p = 1800$$

$$\frac{.6 S_p}{.6} = \frac{1800}{.6}$$

$$S_p = 3000$$

$$m = 1200$$

Ex. 101.3 The sports car retailed for \$10,368. What was the purchase price if the car had been marked up 8% of the purchase price?

$$S_p = P_p + m$$

$$10,368 = P_p + .08 P_p$$

$$10,368 = 1.08 P_p$$

$$\frac{10,368}{1.08} = \frac{1.08 P_p}{1.08}$$

$$P_p = 9600$$

$$m = 768$$