SOLVING MARKUP PRICE

In some cases, sellers add a specific amount to the price of items or goods they are selling to earn a **profit**. Aside from the **original price**, this added amount is known as the **markup**, and the new total is referred to as the **selling price**.

The **markup and selling price** both represent percentages, with the cost serving as the base and the **markup rate** representing the rate added.

Here are some key terms to help you understand this topic:

- **Markup (M)** is the increase in an item's price,
- **Markup Rate (MR)** is the percentage added to the item's cost, and
- **Cost (C)** is the original price of the item.

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Solution: **M** = ₱6.00, **C** = ₱60.00, **MR** = ?, **SP** = ?

The formula for the markup rate is:

Markup Rate (MR) = Markup (M) ÷ Cost (C) × 100%

or **MR** = (M ÷ C) × 100%

$$MR = \frac{M}{C} \times 100\% = \frac{₱6.00}{₱60.00} \times 100$$ Substitute the given

$= 0.10 \times 100$ Divide then multiply by 100

MR = 10%

Answer: The mark up rate of the watermelon is **10%**

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Aj owns a small business selling watermelon. He buys each for ₱60.00 and adds a markup of ₱6.00 to cover his expenses and make a profit.

The formula for the selling price is:

Sale Price (SP) = Cost (C) + Markup (M) or

$$SP = C + M$$
$$= ₱60.00 + ₱6.00$$
$$SP = ₱66.00$$

Answer: The total sale price is **₱66.00**.