Name:				Class:		Date:	ID: A
1.3 Pr	acti	ice					
Multipl Identify			nat best completes	the statement or answ	ver	s the question.	
	1.			.00 on every arrangen			osts her \$10.00 to prepare an
		a. 60%	6		c.	59%	
		b. 70%	ó		d.	167%	
	2.	A video	game costs \$48.99	9. What is the total pri	ice	when you add 12% HST?	
		a. \$54	.87		c.	\$52.42	
		b. \$51	.44		d.	\$5.88	
	3.	-				0899.00. He lives in Alberta st pay on his new car.	, where there is no provincia

c. \$22361.93

d. \$1044.95

4. Iona buys a new home gym for \$2075.00. Calculate the PST and GST if she lives in Saskatchewan.

Tax Rates					
	PST	GST			
Alberta	0%	5%			
British Columbia	HS	ST 12%			
Manitoba	7%	5%			
Northwest Territories	0%	5%			
Nunavut	0%	5%			
Saskatchewan	5%	5%			
Yukon	0%	5%			

a. \$103.75 GST, \$103.75 PST

a. \$21943.95

b. \$1462.93

- c. \$103.75 GST, \$145.25 PST
- b. \$145.25 GST, \$103.75 PST
- d. \$103.75 GST, \$0.00 PST

5. Which of the following is the correct amount of tax on a purchase of \$166.92 if you live in Manitoba?

Tax Rates					
	PST	GST			
Alberta	0%	5%			
British Columbia	HS	ST 12%			
Manitoba	7%	5%			
Northwest Territories	0%	5%			
Nunavut	0%	5%			
Saskatchewan	5%	5%			
Yukon	0%	5%			

a. \$11.68

c. \$8.35

b. \$16.69

d. \$20.03

6. Glenda makes and sells jewellery. If it costs her \$16.00 to make a necklace and she marks up the price by 160%, for how much will she sell the necklace?

a. \$49.92

c. \$41.60

b. \$33.28

d. \$62.40

7. Good As New Computers purchases computers for \$325.00 each from a business upgrading its systems. Good As New then refurbishes the computers and sells them for \$422.50 each. What is the markup on the refurbished computers?

a. 1.3%

c. 30%

b. 60%

d. 130%

8. What would you have to pay for a new pair of jeans that cost \$34.24 if you live in Yellowknife, NWT, where the only tax is 5% GST?

a. \$39.55

c. \$43.14

b. \$35.95

d. \$28.76

9. What is the total cost of a cordless drill that is being sold for \$110.74 in Whitehorse, YT, where the only tax is 5% GST?

a. \$93.02

c. \$116.28

b. \$127.90

d. \$139.53

10. Because the cost of ingredients has gone up, Anders has decided to increase the cost of food at his Edmonton café by 11%. How much will a customer pay for a sandwich that used to cost \$6.49? Include 5% GST.

a. \$7.56

c. \$6.81

b. \$7.20

d. \$9.08

Name:					ID: A
11	. Th	ne retail price of a snowblower is	s \$617.40. The w	holesale price was \$420.00). What is the percent markup
	a.	42%	c.	52%	
	b.	47%	d.	57%	
12	. Th	e wholesale price of a rake is \$9	9.95. The markup	is 105%. What is the retain	l price of the rake?
	a.	\$20.40	c.	\$15.30	

Problem

b. \$16.32

1. Cynthia purchases an order of 425 comic books for \$700.00. She plans to mark the price up by 90%. What will she charge her customers for one comic book?

d. \$24.48

2. Janice sells sports equipment. She applies a markup of 60% to the equipment she sells. What is the wholesale cost of each item?

Item	Retail Price	Wholesale Price
Hockey Stick	\$87.54	
Tennis Racket	\$20.60	
Soccer Ball	\$78.48	

3. The Grow In is a local organic food store. The store buys berries from local farmers for \$3.49/L and marks up the price by 50%.

If the farmers increase their price to \$4.19/L but the store uses the same markup rate, what will be the retail price of the berries?

4. The Grow In is a local organic food store. The store buys berries from local farmers for \$2.99/L and marks up the price by 30%.

The farmers have increased the price to \$3.59/L. The Grow In does not wish to pass on the increase to their customers and will keep the retail price the same.

- a) What is the cost per litre of berries at The Grow In?
- b) After the farmers' cost increase, what is the markup on the berries at The Grow In? Write your answer as a percent to 2 decimal places.

5. Georgia owns a retail clothing store. She buys jeans, shirts, and hats at wholesale prices and then sells them at the retail prices shown below. What is the markup on each item, as a percent?

Item	Wholesale Price	Retail Price	Markup
Jeans	\$40.00	\$48.00	
Shirt	\$15.00	\$18.00	
Hat	\$25.00	\$28.75	

6. The following table shows the wholesale price, retail price, markup, and cost to the customer including tax, of tools at a hardware store. Complete the missing information.

Item	Wholesale Price	Retail Price	Markup	Cost to customer including 12% HST
Laser level	\$40.85		86%	\$85.10
Jigsaw		\$199.99	62%	
Circular saw	\$74.99	\$119.98		
Orbital sander		\$89.99	75%	

- 7. A store sells 25 board games for \$53.95 each.
 - a) How much more money would the store make if it sold the same number of board games for \$58.95 each?
 - b) What would be the percent increase in price?
 - c) Why might the store not want to increase the price of its board games?

1.3 Practice Answer Section

MULTIPLE CHOICE

1.			PTS: LOC:	1 N-SO1		Easy REF Setting a Price	: 1.3
2.	ANS:	A Number	PTS: LOC:	1 N-SO1		Easy REF Setting a Price	1.3
3.	ANS:	D Number		1 N-SO1	DIF: TOP:	Easy REF Setting a Price	1.3
4.	ANS:	A Number		1 N-SO1	DIF: TOP:	Easy REF Setting a Price	1.3
5.	ANS:	D Number		1 N-SO1		Moderate REF Setting a Price	1.3
6.	ANS: OBJ:			1 N-SO1		Easy REF Setting a Price	1.2
7.	ANS: OBJ:	C Number Markup		1 N-SO1		Easy REF Setting a Price	: 1.3
8.	ANS:	B Number		1 N-SO1		Easy REF. Setting a Price	: 1.3
9.	ANS:	C Number		1 N-SO1		Easy REF Setting a Price	: 1.3
10.	ANS:	A		1 N-SO1		Easy REF	1.3
11.	ANS: OBJ:	Number B Number Markup	PTS:		DIF:	Setting a Price Moderate REF Setting a Price	: 1.3
12.	ANS: OBJ:	_	PTS: LOC:	1 N-SO1	DIF: TOP:	Easy REF Setting a Price	: 1.3

PROBLEM

1. ANS:

Calculate how much it costs Cynthia to buy one comic book.

$$$700.00 \div 425 = $1.65$$

It costs her \$1.65 for one comic book.

Calculate her markup on one comic book.

$$0.90 \times \$1.65 = \$1.48$$

Calculate how much she will charge the customer.

$$$1.48 + $1.65 = $3.13$$

She will charge \$3.13 for one comic book.

PTS: 1

DIF: Easy

REF: 1.3

OBJ: Number

LOC: N-SO1

TOP: Setting a Price

KEY: Markup

2. ANS:

Item	Retail Price	Wholesale Price
Hockey Stick	\$87.54	\$54.71
Tennis Racket	\$20.60	\$12.88
Soccer Ball	\$78.48	\$49.05

The wholesale price is calculated as:

Wholesale price =
$$\frac{\text{Retail price}}{1 + (\text{Markup as a decimal})}$$

Hockey stick =
$$\frac{\$87.54}{1.6}$$

Hockey stick =
$$$54.71$$

Tennis racket =
$$\frac{$20.60}{1.6}$$

Tennis racket = \$12.88

$$Soccer ball = \frac{$78.48}{1.6}$$

Soccer ball = \$49.05

PTS: 1 DIF: Moderate REF: 1.3 OBJ: Number LOC: N-SO1 TOP: Setting a Price KEY: Markup

3. ANS:

Calculate the retail price of the berries.

new retail price = increased wholesale price \times (1 + markup as a decimal)

new retail price = $\$4.19 \times (1 + 0.50)$

new retail price = \$6.29/L

The new retail price will be \$6.29/L.

PTS: 1 DIF: Moderate REF: 1.3 OBJ: Number LOC: N-SO1 TOP: Setting a Price KEY: Markup

4. ANS:

a) Calculate the retail price of berries.

retail price = old wholesale price \times (1 + markup as a decimal)

retail price = $$2.99 \times (1 + 0.30)$

retail price = \$3.89/L

The retail price of berries is \$3.89/L.

b) Subtract the new wholesale price from the retail price and divide by the wholesale price.

$$\frac{\$3.89 - \$3.59}{\$3.59} = 8.36\%$$

The markup on the berries is 8.36%.

PTS: 1 DIF: Moderate REF: 1.3 OBJ: Number LOC: N-SO1 TOP: Setting a Price KEY: Markup

5. ANS:

Item	Wholesale Price	Retail Price	Markup
Jeans	\$40.00	\$48.00	20%
Shirt	\$15.00	\$18.00	20%
Hat	\$25.00	\$28.75	15%

The markup is calculated as:

$$markup = \frac{retail\,price\,-wholesale\,price}{wholesale\,price}\times100$$

PTS: 1 DIF: Moderate REF: 1.3 OBJ: Number LOC: N-SO1 TOP: Setting a Price KEY: Markup

6. ANS:

Item	Wholesale Price	Retail Price	Markup	Cost to customer including 12% HST
Laser level	\$40.85	\$75.98	86%	\$85.10
Jigsaw	\$123.45	\$199.99	62%	\$223.99
Circular saw	\$74.99	\$119.98	60%	\$134.38
Orbital sander	\$51.42	\$89.99	75%	\$100.79

Laser level retail price = wholesale price \times (1 + markup as a decimal)

Laser level retail price = $$40.85 \times 1.86$

Laser level retail price = \$75.98

Jigsaw wholesale price = retail price \div (1 + markup as a decimal)

Jigsaw wholesale price = $$199.99 \div 1.62$

Jigsaw wholesale price = \$123.45

Jigsaw cost including $tax = retail\ price \times (1 + tax\ as\ a\ decimal)$

Jigsaw cost including $tax = 199.99×1.12

Jigsaw cost including tax = \$223.99

Circular saw markup = (retail price – wholesale price) \div wholesale price \times 100

Circular saw markup = $(\$119.98 - \$74.99) \div \$74.99 \times 100$

Circular saw markup = 60%

Circular saw cost including tax = retail price \times (1 + tax as a decimal)

Circular saw cost including tax = $$119.98 \times 1.12$

Circular saw cost including tax = \$134.38

Orbital sander wholesale price = retail price \div (1 + markup as a decimal)

Orbital sander wholesale price = $\$89.99 \div 1.75$

Orbital sander wholesale price = \$51.42

Orbital sander cost including tax = retail price \times (1 + tax as a decimal)

Orbital sander cost including tax = $\$89.99 \times 1.12$

Orbital sander cost including tax = \$100.79

PTS: 1 DIF: Difficult REF: 1.3 OBJ: Number LOC: N-SO1 TOP: Setting a Price KEY: Markup | Tax

7. ANS:

a) Calculate the difference in price for one game.

$$$58.95 - $53.95 = $5.00$$

Calculate how much more the store would make by selling 25 games at the increased price.

$$25 \times \$5.00 = \$125.00$$

The store would make \$125.00 more by increasing the price.

b) Divide the difference in price by the original cost and multiply by 100 to find the percent increase.

$$\frac{\$5.00}{\$53.95} \times 100 = 9.3\%$$

c) Answers will vary. The store might not want to increase the price because they may not sell as many games.

PTS: 1 DIF: Moderate REF: 1.3 OBJ: Number LOC: N-SO1 TOP: Setting a Price KEY: Moderate