**Please check this examples when you do the calculations. The questions are derived from your slides.**

Mark-up on Cost (This means we focus on mark-up based on cost)

Example: A coffee maker is purchased for R15 and sold for R18.75. Find the percent of mark-up based on cost.

Basic formula: Cost + Mark-up = Selling price

C + M = S

R15 + M = R18.75

M = R18.75 – R15

M = R3.75 (Please round off to 2 decimal places)

C+M=S

R15+R3.75=18.75

Note: We found the mark-up but the question want the percent of the mark-up based on cost.

Percent equation P = Part (Mark-up, what we put on, the part that you add)

P = R X B B = Base (Cost, how much did you pay)

R3.75 = R X R15 R = RATE (Percent)

R = R3.75

R15

= 0.25

R = 25%

Example: A baseball glove is sold for R42, which is 140% of cost. How much is the store’s cost?

On this scenario they did not give us the cost but only gave us the selling price but we know the cost is always 100% but they added 40% which gave us the selling price

Note: Cost is always 100%, therefore our mark-up is 40%. Remember 100% = 1

C + M = S

C + 0.4C = 42 (Remember 100% = 1 which is represented by C since we can’t write 1C)

1.4C = 42 (When we add C + 0.4 to give us 1.4C)

C = 42

1.4

C = 30

To double check whether you calculated correctly, you can check whether the cost is correct using the selling price as a guide.

C+M=S

30+M=42

M=42-30

M=12

Therefore, since you found your mark-up, you can check whether the selling price is correct

C+M=S

30+12=42

Example: A retailer purchases silk flowers for R31.56 per dozen and sells them for R4.78 each. Find the percent markup on selling price and the equivalent percent markup on cost.

