

Curriculum Outcome

General Outcome: Develop number sense and critical thinking skills.

N1 Solve problems that involve unit pricing and currency exchange, using proportional reasoning.

N2 Demonstrate an understanding of income, including: wages, salary, contracts, commission, piecework, and calculating gross pay and net pay.

N3 Demonstrate an understanding of compound interest.

N4 Demonstrate an understanding of financial institution services used to access and manage finances.

N5 Demonstrate an understanding of credit options, including: credit cards, and loans.

Student Friendly:

Warm- Up

$F : S \quad 2 : 1$

1. The ratio of flour to shortening in a piecrust recipe is $2:1$. If a baker makes 30 cups of piecrust, how many cups of flour and shortening does he use?

$$\frac{F}{P} = \frac{2}{3} \times \frac{x}{30} \quad \frac{60}{3} = \frac{2x}{1} \quad x=20$$



20 cups of flour.

$$P - F = S \quad 30 - 20 = 10 \text{ cups of shortening}$$

2. One bookstore sells notebooks in packages of 12 for \$15.48. Another bookstore sells the same notebooks in packages of 15 for \$19.65. Which is the better price?

$$\frac{\$15.48}{12 \text{ notebooks}} = \$1.29/\text{notebook}$$

$$\frac{\$19.65}{15 \text{ notebooks}} = \$1.31/\text{notebook}$$

option 1 for \$1.29/notebook is better.



Setting a Price



SUPPLY/DEMAND:

- demand rises...cost increases.
- demand falls (or over supplied)...cost decreases.

Markup

The difference between the amount a dealer sells a product for and the amount he or she paid for it.

Percent

Percent means "out of 100"; a percentage is a ratio in which the denominator is 100.

The markup is usually a percent.

What's in a price???

- \$39.99 seems less expensive than \$40.
- price / 100 g rather than price / kg.
- weekly payments rather than monthly.

EX: The markup of the T-shirts is 25%. If the cost of making a T-shirt is \$8, determine the selling price...

25% of 8.00
 0.25 X 8.00

There are two ways to calculate the selling price.

* % to decimal
 ↳ ÷ by 100

1. Cost x Percent
 $8 \times 0.25 = 2.00$
 2. Cost + Markup
 $8.00 + 2.00 = 10.00$

OR

Cost x Percent
 $8.00 \times 1.25 = 10.00$
 125% = 1.25



What else affects selling price?





Goods and Services Tax

	GST	PST	HST
NS			15%
NB			13%
NFLD			13%
PEI			14 %



Provincial Sales Tax

<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/gnrl/menu-eng.html>



Harmonized Sales Tax

GST & HST Rates



Province	Type	PST (%)	GST (%)	HST (%)	Total Tax Rate (%)	Notes:
Alberta	GST		5		5	
British Columbia	GST + PST	7	5		12	As of April 1, 2013, the HST rate no longer applies in British Columbia.
Manitoba	GST + PST	7	5		12	
New Brunswick	HST			13	13	
Newfoundland and Labrador	HST			13	13	
Northwest Territories	GST		5		5	
Nova Scotia	HST			15	15	
Nunavut	GST		5		5	
Ontario	HST			13	13	
Prince Edward Island	HST			14	14	
Quebec	GST + *QST	*9.975	5		14.975	
Saskatchewan	GST + PST	5	5		10	
Yukon	GST		5		5	

Finding the tax...

0.13

Amount of Tax = Regular Price x Tax (as a decimal)

Total Cost = Regular Price + Tax OR Price x 1.13

Find total cost...

Shortcut to calculating tax?

Find the total cost (including HST) for each of the following...

$239.79 \times 1.13 = 270.96$
 $39.96 \times 1.13 = 45.15$
 $48.88 \times 1.13 = 55.23$

Subtotal 48745.00
 tax (HST 13%) 6336.85
 Total \$55081.85

\$26 554
 (two steps)
 Subtotal 26554
 13% GST
 Total

GST (5%) **PST (8%)**
 1. Cost x Percent (GST tax) Cost x Percent (PST tax)

5% of \$26554
 $0.05 \times \$26554$
 \$1327.70

26554×0.08
 \$2124.32

Subtotal \$26554
 GST \$1327.70
 PST \$2124.32
 Total \$30006.02



Arlene purchases fabric at a wholesale price for her custom sewing business in Cavendish, PEI.

She pays \$46.00/m.

She charges a markup of 20% on the fabric.

What will Arlene charge her clients per metre?



$$46 \times 0.20 = 9.20 \quad \text{\$ Mark up}$$

$$46 + 9.20 = 55.20$$



HW: Page 32
Questions 1 -6

1.3 Build Your Skills Detailed Solutions.pdf

1) \$36.40 / shirt

5) a) \$1 373.25

2) \$350.13

b) \$150

3) \$228.58

6) a) \$2.88

4) \$1099.75 without tax

b) \$38.88

\$1242.72 with tax

Attachments

1.2 Build Your Skills Detailed Solutions.pdf

1.3 Build Your Skills Detailed Solutions.pdf