

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:



HOMEWORK...

P. 26: Questions #1-7

1.2 Build Your Skills Detailed Solutions.pdf

$$1) 87.75$$

$$2) 21 \text{ Kg for } \$50.89$$

$$3) \$120/4$$

$$4) a) \begin{array}{r} 1 \\ 49.98 \\ \hline 1 \end{array} \quad \begin{array}{r} 2 \\ 7.75 \\ \hline 1 \end{array} \quad \begin{array}{r} 3 \\ 7.67 \\ \hline 1 \end{array}$$

$$5) \$12.50 / 1 \text{ Kg}$$

$$b) \$32$$

$$6) \$0.017/g$$

$$\$0.0159/g$$

$$\$0.01475/g$$

$$7) 3 \text{ Kits 3} + 1 \text{ Kit 2} \\ = \$269.75$$

7. A potash mining company in northern New Brunswick is buying industrial first-aid kits in bulk. First-aid kits are available in three sizes.

- A small kit costs \$42.50 and contains enough supplies to meet the needs of 1–9 workers. $\$4.72$
- A medium-sized kit costs \$58.25 and will serve 10–40 workers. $\$1.46$
- A large kit costs \$70.50 and will serve 41–75 workers. $\$0.94$

Jason, the buyer, needs to buy kits for 250 workers. Which combination of kits will be the least expensive? What will the total cost be before taxes?

3lg + 1med

$\$269.75$



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...

There are
two ways
to calculate the
selling price.

OR

| | |
|----------------------|--|
| 1. Cost x Percent | |
| $\$8.00 \times 0.25$ | |
| $\$2.00$ | |
| 2. Cost + Markup | |
| $\$8.00 + \2.00 | |
| $\$10.00$ | |

| | |
|----------------------|--|
| Cost x Percent | |
| $\$8.00 \times 1.25$ | |
| $\$10.00$ | |

Includes 100% of the original price and the 25% mark up.



What else
affects
selling price?





Goods and Services Tax

| | GST | PST | HST |
|------|-----|-----|------|
| NS | | | 15% |
| NB | | | 15% |
| NFLD | | | 15% |
| PEI | | | 15 % |



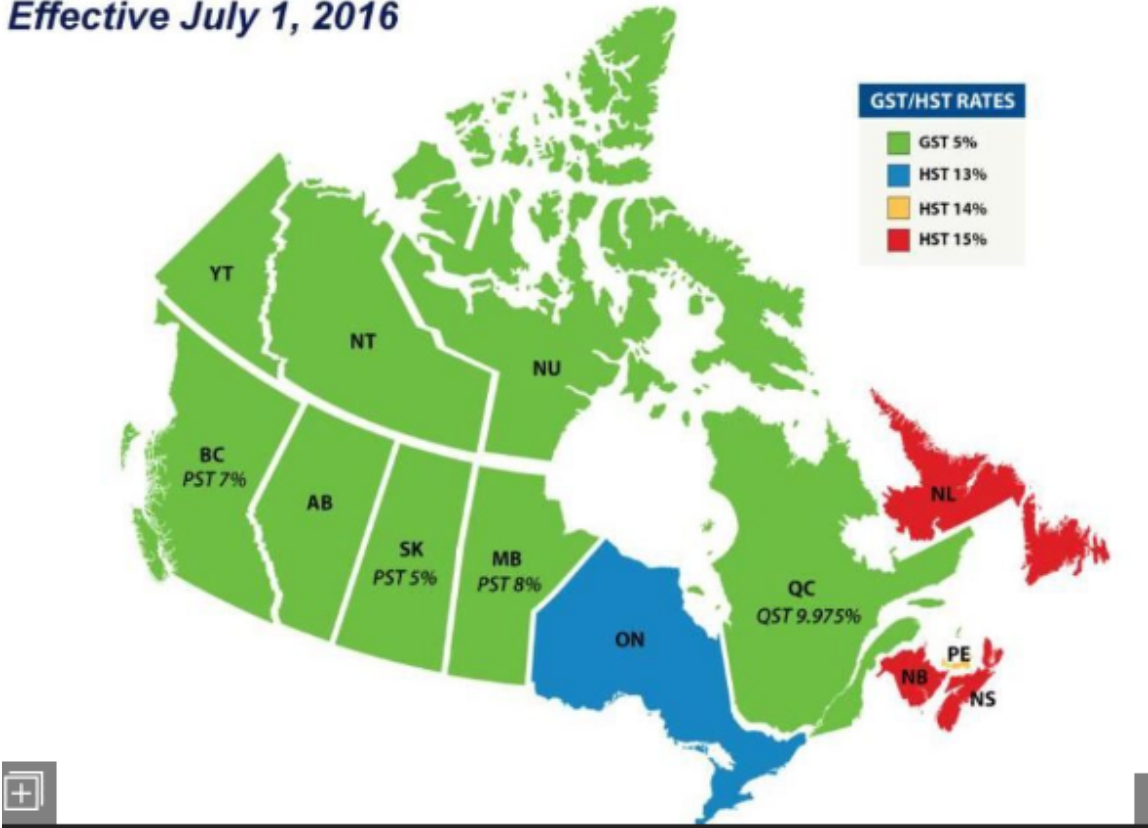
Provincial Sales Tax

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



Harmonized Sales Tax

Effective July 1, 2016



Retail Buying

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

Sales Tax - Provincial (PST) / Goods & Services (GST)

GST is 5 % (effective Jan. 1/2008)

GST/HST rates

The GST is a tax that applies on most [supplies](#) of goods and services made in Canada. The GST also applies to supplies of [real property](#) (for example, land, buildings and interests in such property) and intangible property such as trademarks, rights to use a patent, and digitized products downloaded from the Internet and paid for individually.

The participating provinces (New Brunswick, Newfoundland and Labrador, Nova Scotia, and Ontario) harmonized their provincial sales tax with the GST to implement the HST. Generally, the HST applies to the same base of goods and services as the GST. On April 1, 2013, Prince Edward Island harmonized its provincial sales tax with the GST to implement the HST. Also, as of April 1, 2013, the HST at the rate of 12% (5% federal part and 7% provincial part) **no longer applies** in British Columbia. The HST at the rate of 12% has been replaced by the GST at the rate of 5% and a provincial sales tax.

In Quebec, Revenu Québec administers the GST/HST. If your business is located in Quebec, visit the [Revenu Québec Web site](#).

The GST/HST rates are as follows:

| Province | April 1, 2013 and subsequent | July 1, 2010 to March 31, 2013 | January 1, 2008, to June 30, 2010 | July 1, 2006 to December 31, 2007 | April 1, 1997, to June 30, 2006 | Jan. 1, 1991 to March 31, 1997 |
|---------------------------|------------------------------|--------------------------------|-----------------------------------|-----------------------------------|---------------------------------|--------------------------------|
| Alberta | 5% | 5% | 5% | 6% | 7% | 7% |
| British Columbia | 5% | 12% | 5% | 6% | 7% | 7% |
| Manitoba | 5% | 5% | 5% | 6% | 7% | 7% |
| New Brunswick | 13% | 13% | 13% | 14% | 15% | 7% |
| Newfoundland and Labrador | 13% | 13% | 13% | 14% | 15% | 7% |
| Northwest Territories | 5% | 5% | 5% | 6% | 7% | 7% |
| Nova Scotia | 15% ¹ | 15% ¹ | 13% | 14% | 15% | 7% |
| Nunavut | 5% | 5% | 5% | 6% | 7% | 7% |
| Ontario | 13% | 13% | 5% | 6% | 7% | 7% |
| Prince Edward Island | 14% ² | 5% | 5% | 6% | 7% | 7% |
| Saskatchewan | 5% | 5% | 5% | 6% | 7% | 7% |
| Yukon | 5% | 5% | 5% | 6% | 7% | 7% |

The HST breakdown:

- The HST rate of 12% includes the 5% federal part and 7% provincial part.
- The HST rate of 13% includes the 5% federal part and 8% provincial part.
- 2) The HST rate of 14% includes the 5% federal part and 9% provincial part.
(As of April 1, 2013)
- 1) The HST rate of 15% includes the 5% federal part and 10% provincial part.
(As of July 1, 2010)
- The HST rate of 14% includes the 6% federal part and 8% provincial part.
- The HST rate of 15% includes the 7% federal part and 8% provincial part.

I. Finding the tax...

$$\text{Amount of Tax} = \text{Regular Price} \times \text{Tax (as a decimal)}$$

$$\text{Total Cost} = \text{Regular Price} + \text{Tax}$$

II:

Find total cost...

Cost?

Multiply by 1.15

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

CANADIAN TIRE

1/2 price 239.79 Raleigh Serviced 21-speed bike

1/2 price 97 **1/2 price 748**

1/2 price 59.88 **save 70 48.88**

1/2 price 39.96 COOR food processor

$$\begin{aligned} & \$239.79 \times 1.15 \\ & \$275.76 \end{aligned}$$

Cost?

$$\begin{aligned} & \$39.96 \times 1.15 \\ & \$45.96 \end{aligned}$$

Cost?

Cost?

$$\begin{aligned} & \$48\,745 \times 1.15 \\ & \$56\,056.75 \end{aligned}$$

Cost?

NAVIGATOR PHOTOS EXTERIOR INTERIOR PERFORMANCE SAFETY & SECUR

Make a Lasting Impression
Starting at \$48,745

EXPLORE NAVIGATOR I
REDESIGNED INTERIOR

$$\begin{aligned} & \$56\,056.75 - \$48\,745 \\ & \$7\,311.75 \end{aligned}$$

Amount of tax?

\$26 554
(two steps)

GST

1. Cost x Percent (GST tax)

$\$26\,554 \times 0.05$

$\$1\,327.70$

PST

Cost x Percent (PST tax)

$\$26\,554 \times 0.10$

$\$2\,655.40$

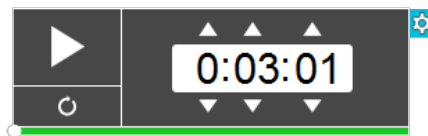


Arlene purchases fabric at a wholesale price for her custom sewing business in Cavendish, PEI.

She pays \$46.00/m.

She charges a markup of 20% on the fabric.

What will Arlene charge her clients per metre?



$$\begin{array}{r}
 \$ 46 \times 1.2 \\
 = \$ 55.20 \\
 \quad \times 1.15 \\
 \hline
 \$ 63.48
 \end{array}$$



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

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She charges a markup of 20% on the fabric.
What will Arlene charge her clients per metre?

OR

1. Cost x Percent

$$\begin{aligned} & \$46.00 \times 0.20 \\ & \quad \$9.20 \end{aligned}$$

2. Cost + Markup

$$\begin{aligned} & \$46.00 + \$9.20 \\ & \quad \$55.20 \end{aligned}$$

Cost x Percent

$$\begin{aligned} & \$46.00 \times 1.20 \\ & \quad \$55.20 \end{aligned}$$



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Questions 1 -6

[1.3 Build Your Skills Detailed Solutions.pdf](#)



Attachments

1.2 Build Your Skills Detailed Solutions.pdf

1.3 Build Your Skills Detailed Solutions.pdf