Consumer Math   **Ch 6 Notes Packet: Purchasing**

Section 6.1-2: Sales Tax/ Total Purchase Price

_____: tax on the selling price of an item or service that you purchase

- Usually expressed as _____
- Varies from state to state
- Many states permit county and city governments to add an additional tax as well

_____: the selling price plus sales tax

> Sales Tax = _____ x _____
>
> Total Purchase Price = _____ + _____

Ex1: Vera has decided to purchase a new rotary mower that sells for $189.95. She lives in a state where the sales tax is 6.5% on all items. How much sales tax will she have to pay on the mower? What will the total purchase price be?

Ex2: The Kingley family went to Smiley Burger in a state that charges 8% sales tax. What is the tax on the meal below? What is the total cost of the meal?

2 hamburgers @ $1.39 each
2 BLT sandwiches @ $1.79 each
1 onion rings @ $1.35
1 french fries @ $0.99
3 milk shakes @ $1.09 each

Ex3: Thrift Store Shopping! All the items listed are subject to a 4.5% state sales tax. What is the total cost?

4 shirts @ $9.95
1 jacket @ $11.99
6 T-shirts @ $1.39
2 prs of socks @ $1.95
1 pr of trousers @ $15.99

Ex4: Lisa's store collects 5% sales tax on every item sold. If she collected $22.00 in sales tax, what was the cost of the items her store sold?

Ex5: After the 15% sales tax the jeans were $24.15. How much were the jeans before the sales tax?

Ex6: At a restaurant you only have $20 to spend on dinner. In addition to the cost of the meal you must pay a 5% sales tax and leave a 15% tip. What is the most expensive item you can order if you tip on the pretax bill?

Section 6.3-4: Unit Pricing/ Comparison Shopping

_____: a system that allows shoppers to compare the prices of various items quickly and easily

- Many states require stores to show the unit price of the items they sell
- Used for comparison shopping by showing cost per item or cost per unit of measure

_____: using the unit price to determine which item is the better buy

Unit Price of an item = _____

Ex1: Which of the following is the least expensive way to purchase oranges based on price alone?
   A. 1 dozen for $1.39
   B. 50 for $4.69
   C. 10 for $1.10
   D. 30 for $3.19

Ex2: Oatmeal comes in 3 sizes. The 18 oz package costs $1.86. The 42 oz package costs $3.17 and the price of the 112 oz package is $6.29. Based on price, which is the better buy?

Ex3: Meijer has 2 types of coffee on sale. One variety is a 12oz bag of coffee for $5.99, the other is a 1 pound bag for $7.59. Which is the better buy?

Ex4: Amazon has a Lego set selling for $21.35 plus $5.99 shipping. Target has the same set selling for $24.99 plus tax. Which is the better buy?

Section 6.5,6.6, 6.7: Coupons/Rebates, Markdown, Sale Price

_____: special offers made by companies that manufacture, process, and package particular items
  - Incentive for customers to purchase a particular item – by getting a reduced price (coupons) or by getting money back (rebate)
  - To obtain manufacturer's rebate the consumer must mail in a rebate coupon along with the sales slip and UPC label from the item

Final Price = _____ – _____

_____: amount of money saved by purchasing a product at the sale price

_____: amount a seller upsells an item for sale

_____: the price of an item after discount/ markdown

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Discount = _____ − _____

Discount = _____ x _____

Percent Paid _____ − _____

Sale Price = _____ − _____

Sale Price = _____ x _____

Markup = _____ x _____

Retail Price = _____ + _____

Examples:

A. In a department store, a $40 dress is marked, "Save 25%." What is the discount? What is the sale price?

B. In a grocery store, a $12 case of soda is labeled, "Get a 20% discount." What is the discount? What is the sale price?

C. In a candy store, a $5.00 jar of candy is labeled "45% off." What is the discount? What is the sale price?

D. In a bicycle store, a $500 bike is marked "30% off." What is the sale price?

E. At Buy More, they have a 42" TV that sells for $1250 and is on sale for 15% off. The state sales tax is 6.5% What is the final cost?

F. If your cell phone bill was $97.82 but you get a corporate discount of 10%, how much is your bill? If you are charged 7.5% for not paying your bill on time, how much would you pay?

G. You go out for dinner with 3 friends. The food bill was $72.50, the sales tax was 6.75% and you tip the waiter 15%. How much did each person pay?

H. An Xbox controller costs $11 to make and is marked up 450%/ What is the retail price?

I. Apple's costs for an iPad are $230. If they charge $499 for it, what is the percent markup?

Foreign Currency Exchange

_____: the value of the American dollar in another country's currency and the value of that country's currency in American dollars. These rates change continuously and must be checked prior to travel dates to get the highest exchange rate.

Ex:

Name	In US $	Per US $
Canadian Dollars	0.66436	1.505
Indian Rupee	0.02178	45.920
Venezuelan Bolivar	0.00145	689.4

Amount in foreign currency = _____ x _____

Amount in US $$ = _____ x _____

Ex1: Thomas is traveling to Venezuela and wants to exchange $535 US dollars for Venezuelan bolivar. If there was no fee for the transaction, how much in bolivar will he receive?

Ex2: Thomas returns from Venezuela with 225,000 bolivar. How many US dollars did he bring home? (Again, assume no transaction fee.)

Ex3: Krista is traveling to India with a stopover for shopping in Toronto.

a) She exchanges $750 US dollars for Canadian dollars. How many Canadian dollars will she receive assuming there is no transaction fee?

b) After she spends $210 Canadian dollars in Toronto, she stops at the bank to exchange the rest for Indian rupees. How many rupees will she receive assuming there is no transaction fee?

c) Suppose there is a 8% transaction fee at the airport currency exchange booth when she arrives in Canada. How much in Canadian dollars would she have received for her $750 US dollars?