

Pricing goods ready for sale

Focus

Most retailers run sales promotions to encourage customers to buy their goods. They advertise special offers as a **fraction** or a **percentage off** the normal price.

10% discount if you open a store card today

PRICES SLASHED BY 25%

$\frac{1}{4}$ off the normal price



50% OFF ALL ITEMS!

Save up to $\frac{1}{3}$ on normal prices

1/2 PRICE SALE

Match the price reductions that are the same.

Fraction price reductions

Fractions are written with one number above another.

These are the fractions by which prices are often reduced:

$\frac{1}{4}$ $\frac{1}{3}$ $\frac{1}{2}$

Percentage price reductions

Percentages are written using this symbol: %

These are the percentages by which prices are often reduced:

25% 50%
5% 10% 20%

Remember!

Price reductions = customer **savings**

The fraction or the percentage price reduction is what the customer **saves**.

The original price minus the price reduction is what the customer **pays**.

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Task

Working out fraction price reductions

Step 1: Calculate what the customer saves

Divide the **original price** by the bottom number of the **fraction**. You can round the price to make the calculation easier.

For example: $\frac{1}{4}$ off **£19.99**

Divide £20 by 4.

$20 \div 4 = 5$. The customer saves **£5**.

Step 2: Calculate what the customer pays

Subtract the **saving** from the **original price**.

For example:

The **original price is £19.99**.

The **customer saves £5**.

The **customer pays £14.99**. ($19.99 - 5 = 14.99$)

Tip

You can *round* the original price to make **step 1** easier, but use the *unrounded* original price in **step 2**.



Task 1

Price these goods ready for sale.

1

Denim Jacket

PRICE CUT: $\frac{1}{4}$ off the marked price

Was: £49.99

Save: £ _____

Pay: £ _____

3

Stonewash Bootleg Jeans

Old price: £35.99

Sale offer: $\frac{1}{3}$ OFF

Sale price: £ _____

Save: £ _____

Remember!

To find the amount saved,

- Round to the nearest whole pound.
- Divide the price by the bottom number of the **fraction**.

2

$\frac{1}{2}$ price sale

Mikee Air Walk Trainers

Original price: £36.99

Save: £ _____

You pay: £ _____

Remember!

Check your answers.

The amount the customer **saves** and the amount the customer **pays** must add up to the **original price**.

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Task

Working out percentage price reductions

25% off £19.99

Step 1: Calculate what the customer saves in a way that suits you

This may be:

- a Knowing that 50% is half (so 25% is half as much again)
- b Knowing that 25% is the same as $\frac{1}{4}$.
The customer saves **£5**.

Step 2: Calculate what the customer pays:

Subtract the **saving** from the **original price**.

For example: **25% off £19.99**

The **original price is £19.99**.

The **customer saves £5**.

The **customer pays £14.99**. ($19.99 - 5 = 14.99$)

Tip

You can *round* the original price to make **step 1** easier, but use the *unrounded* original price in **step 2**.



Task 2

Price these goods ready for sale.

1

DVD Player

Special offer: 25% price reduction

Was: £139.99

Save: £ _____

You pay: £ _____

2

50% off

GAMES CONSOLE

Original price: £154.99

Save: £ _____

Pay just: £ _____

3

MP3 PLAYER

BONANZA PRICE CUT: Save 20%!

Old price: £179.99

Sale price: £ _____

An amazing saving of: £ _____

Tip

Find 10% first, then double your answer.

Remember!

Check your answers.

The amount the customer **saves** and the amount the customer **pays** must add up to the **original price**.

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Task

Calculating retail prices

Goods are sold for profit. The store buys from a wholesaler and adds a 'mark-up' to the wholesale price. This gives a retail price (the amount the customer pays).

You can think of it like this: the customer pays 100% of the wholesale price plus the mark-up.

For example, the **wholesale price** for this bicycle computer is **£12.69**. The **mark-up is 55%**.

The customer will pay **155% of £12.69**. (100% + 55%)

Using the calculator this is:

$$12.69 \times 155 \div 100 = 19.6695$$

Most stores round their prices to the nearest 99p, so the retail price is **£19.99**.



Task 3

Calculate the retail price for these products. Round your answers to the nearest 99p.



Remember!

The retail price is 100% of the wholesale price plus the percentage mark-up.

Item	Description	Wholesale price	Mark-up	Retail price
MX3450	Shell-safe fully vented helmet	£34.49	60%	£ _____
DT498	Sport-ace sprint wheels	£25.99	70%	£ _____
BZ493	Lite-source front LED lights	£12.25	25%	£ _____
GT450	Go-tour cycle gloves	£3.45	40%	£ _____