"I Can Solve Real-World Problems by Applying Percents to Calculate Tax, Tip, and Discount."

Introducing Tax and Discount

When a store has a sale, you see advertisements for discounts. The discounts are usually given in percents (20% off, 30% off, etc.) Percents are helpful in many situations involving money. Discounts, taxes, and tips are all described with percents. Understanding how to compute and use these percents can make you a smarter consumer.

Determining Tax

What is tax?

7% tax = ——— = ———————

1. Jill wants to buy a CD that is priced at $7.50. The sales tax is 8%. What will be the total cost of the CD?

2. Alexis bought a CD player. She does not remember the original price, but she does know that the 6% sales tax came to $4.80. What was the original price of the CD player?

Determining Discount:

What is discount?

Jesse bought a pair of jeans for 25% off the original price.

Jesse will **save** _____ **or** ——— **off** the original price.

Jesse will **spend** _____ **or** ——— **of** the original price.

3. A sweater is regularly $32. If it is 25% off the original price for the week, how much will the sweater cost?

4. At Loud Sounds Music, CD's are regularly priced at $15.95. Today, the CD's are discounted 20% off the total price. If you decide to buy 5 CD's, how much money will you spend?

5. Masako has a $25-off coupon on a purchase of $100 or more at a department store. She buys a jacket with a price tag of $125. What was the percent discount she got?

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Determining Tax

What is tax?

an amount + to the total price of an item

$$7\%\ \text{tax} = \frac{7}{100} = \frac{\$\ \text{tax}}{\text{total cost}}$$

1. Jill wants to buy a CD that is priced at $7.50. The sales tax is 8%. What will be the total cost of the CD?

$\frac{8}{100} = \frac{x}{\$7.50}$

$100x = 60$

$\div 100 \quad \div 100$

$x = \$0.60$

Total Cost

$\$7.50$

$+ 0.60$

$\$8.10$

2. Alexis bought a CD player. She does not remember the original price, but she does know that the 6% sales tax came to $4.80. What was the original price of the CD player?

$\frac{6}{100} = \frac{\$4.80}{x}$

$480 = 6x$

$\div 6 \quad \div 6$

$80 = x$

$80 for the CD Player

Determining Discount:

What is discount?

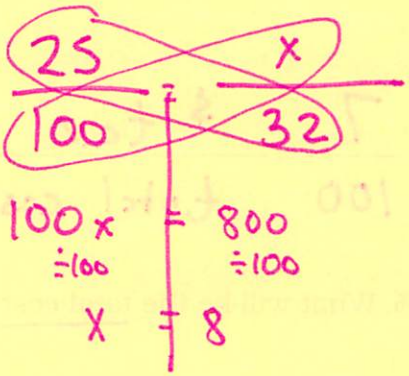
an amount subtracted from the original price of an item

Jesse bought a pair of jeans for 25% off the original price.

Jesse will **save** 25% **or** $\frac{25}{100}$ **off** the original price.

Jesse will **spend** 75% **or** $\frac{75}{100}$ **of** the original price.

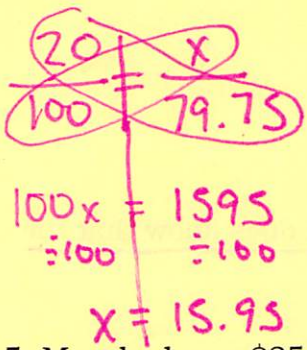
3. A sweater is regularly $32. If it is 25% off the original price for the week, how much will the sweater cost?



$32
-8
$24 sale price for the sweater

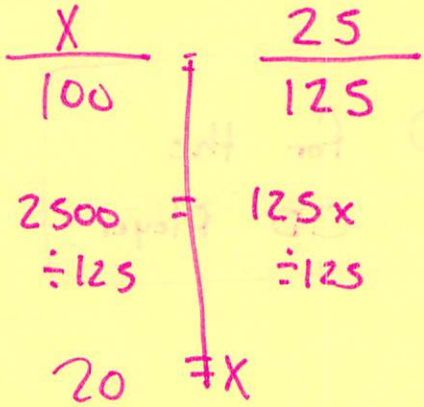
4. At Loud Sounds Music, CD's are regularly priced at $15.95. Today, the CD's are discounted 20% off the total price. If you decide to buy 5 CD's, how much money will you spend?

5 x $15.95 = $79.75



79.75
-15.95
$63.80 sale price

5. Masako has a $25-off coupon on a purchase of $100 or more at a department store. She buys a jacket with a price tag of $125. What was the percent discount she got?



20% discount