Example sheet – Using percent to set prices (mark-up)

Carl owns a shop that sells motorcycle parts and accessories. He adds 30% to the wholesale price of each item for profit.

To calculate the selling price of a bike muffler with a wholesale price of $400 you would need to do the following:

1. Work out 30% as a decimal

= 30/100 = 0.3

1. Multiply the wholesale price by the mark-up

= 400 x 0.3 = 120

1. Find the total cost of the item (Wholesale price + mark-up)

= 400 + 120 = 520

The sale price of the muffler is set, before tax, at $520 giving the shop a $120 profit when the muffler is sold.