

TWO PERCENTAGE BASES

Cards J-K · cost for mark-up; selling price for margin.

MARK-UP: COST IS THE BASE

Card J: cost \$80 · mark-up 25% on cost

$$\$80 \times 0.25 = \text{gap } \$\underline{\hspace{2cm}}$$

$$\text{cost} + \text{gap} = \text{price } \$\underline{\hspace{2cm}}$$

Reverse check: price – cost = gap

ONE GAP, TWO DENOMINATORS

Card K: cost \$72 · price \$90 · gap \$18

$$\text{Mark-up} = \$18 \div \$72 \times 100 = \underline{\hspace{2cm}}\%$$

$$\text{Margin} = \$18 \div \$90 \times 100 = \underline{\hspace{2cm}}\%$$

Mark each denominator before calculating.

Other expenses and tax are unknown.

A price gap is not proven net profit.