

MTH 134 TEST 5 REVIEW GUIDE

1. Calculate the net price of a TV which has a list price of \$1100 and the manufacturer's single trade discount is 28%.

2. Find the net price of a computer system that has a list price of \$1750 and a chain discount of 12/7.

- 3.a. Fill in the chart for the following chain discounts:

	chain disc.	net price	equivalent rate	single equivalent discount
option A	12/7/5			
option B	10/8/6			

- 3.b. Which option above offers a retailer the best deal on an item?

- 4.a. Suppose Meijers orders a shipment of blankets. The invoice calls for a \$1200 payment which includes a \$30 shipping fee. The terms of payment are: 3/5, 2/10, 1/15, n/30. The invoice is dated August 24, 1994. What does Meijers owe if they pay the invoice in full on August 28, 1994?

- 4.b. If Meijers paid \$500 on August 30, how much is credited to the invoice? How much is still owed?

- 5.a. If the cost of a pair of shoes to the retailer is \$35 and the retailer sells the shoes for \$55, what is the percent markup based on cost?

- 5.b. In part a, what is the percent markup based on sales?

- 6.a. Kathy sells a dress for \$75. Her percent markup based on cost is 30%. What was her cost?

- 6.b. Carol sells a dress for \$75. Her percent markup based on selling price is 30%. What was her cost?

7.a. Jerry buys a computer for his retail store for \$720. His percent markup based on cost is 60%. What is his selling price?

7.b. Judy buys a computer for her store for \$720. Her percent markup based on selling price is 60%. What is her selling price?

8. Mervins bought a women's summer business suit for \$55. Originally they marked it up based on cost 95%. Later it went on special for 15% off. After one week of being on special they raised the price 20% over the special price. At the end of the summer it was markdown for clearance at 40% off. One week later it was marked down an additional 30% off its clearance price. The last remaining suit finally sold.

- a. What was the original selling price?

- b. What was the special price?

- c. What was the new price when the special ended?

- d. What was the original clearance price?

- e. What was the final clearance price?

9. Bobbie bakes 300 cakes per day for her bakery business at a cost of \$2.50 each. She expects that 15% of her cakes will get messed up somehow and therefore she won't be able to sell them. She needs a 60% markup based on cost in order to stay in business. If she is able to sell all of the cakes that don't get messed up, how much should she sell them for?