Name _____

## 9.7b – Discounts, Markups, Sales Tax, and Tips

**SHOW WORK ON ALL PROBLEMS.**

1) A bicycle helmet is on sale for 25% off the original price. The original price is $48.

   a. What is 25% of the original price?

   1a. _____

   b. Is the amount from part (a) a discount or a markup? What must you do with this amount?
      Circle one:  discount   or   markup

   1b. _____

   c. Find the sale price.

   1c. _____

2) You have a $20 gift card from a bookstore. You use it to buy two books for a total of $18.49. The sales tax is 5.75%. Will your gift card cover the cost? Explain your reasoning.

   5.75% sales tax:

   2. _____

3) A pair of sneakers costs $46.99.  You have a coupon for 15% off.  What is the total cost of the sneakers after 5% sales tax is included?  *(Hint: You pay tax on the discounted price, not the full price.)*

15% off:

5% sales tax:

3. _____

4) A $140 car stereo is marked up 50% and then discounted 50%.  Will the final price of the car stereo be $140?  Explain.

4. _____

5) Six friends go to lunch.  They plan to split the bill evenly, and they plan to leave a 20% tip.  The bill comes to $55.50.  The sales tax is 7%.  How much will each person pay?

7% sales tax:

20% tip:

   a. $18.87
   b. $13.99
   c. $11.75
   d. $11.66