

# Calculating Consumer Discounts



## Objective








In this lesson, you will

## Discounts



A **discount** is the \_\_\_\_\_ in price of a good or service.

### Kinds of discounts:

-  **Straight discount** – a \_\_\_\_\_ is deducted from the price
-  **"Buy one, get one" offer** – buy one item at the \_\_\_\_\_ price and get a second item \_\_\_\_\_ or at a discount
-  **Discount membership** – pay a membership fee that provides a discount on future \_\_\_\_\_
-  **Internet purchases** – cheaper prices than your local store, may not have \_\_\_\_\_ tax, may have shipping or handling costs
-  **Rebate** – pay the \_\_\_\_\_ price for the item at the store, then \_\_\_\_\_ the receipt to a different place to get a rebate check
-  **Buying in bulk** – pay a higher \_\_\_\_\_ price but a lower price per \_\_\_\_\_
-  **Credit card rewards** – rewards are based on the total \_\_\_\_\_ of purchases



# Calculating Savings

formula to calculate savings when discount is a _____ of price	$price \times discount\ percentage$
formula to calculate _____ after discount when discount is a percentage of price	$price \times (1 - discount\ percentage)$
formula to calculate _____ after discount for buy one, get one offers	$(2 \times list\ price) - (list\ price \times discount\ percentage)$
formula to calculate _____ price for bulk size offers	$total\ price \div number\ of\ units\ per\ package$

**?** Amy wants to buy a pair of jeans that cost \$65. Today the store is offering a straight discount of 25%. Calculate her savings and cost after the discount.

Amy saves \$\_\_\_\_\_ and pays \$\_\_\_\_\_ after the discount.

**?** Ramon bought two pullovers on a buy one, get one 30%-off offer. Each pullover had a list price of \$20. How much did Ramon pay for the pullovers?

\$\_\_\_\_\_

**?** A 12-pack of paper towels costs \$10. Calculate the price per unit using the formula.

\$\_\_\_\_\_

# Calculating Totals

The cost of an item after a discount isn't always your \_\_\_\_\_ cost. You may need to consider costs like membership fees, \_\_\_\_\_ tax, or \_\_\_\_\_ costs.

A pair of shoes costs \$75.00 and you have a coupon for 25% off. You will have to pay \$56.25 after the discount. Your state has a sales tax of 5%. Add the sales tax ( $0.05 \times 56.25$ ) value of \$2.82 to the price after the discount.

$$\$56.25 + \$2.82 = \$\underline{\hspace{2cm}}$$

Suppose you had the option of buying the same pair of shoes online. The website offers the shoes for the same price and discount, but without sales tax, so the shoes cost \$56.25. However, you have to pay shipping fees of \$5.00.


$$\$56.25 + \$5.00 = \$\underline{\hspace{2cm}}$$

**?** Carol buys a reference book that originally cost \$87.50 for 15% off. She pays a sales tax of 4.5%. What is the total cost of the book?

\$\_\_\_\_\_

# Comparing Different Offers

There are other factors besides total cost to consider, such as \_\_\_\_\_ you want the item, the ease and cost of \_\_\_\_\_ it, or the \_\_\_\_\_ of the item, before you choose the best deal for you.

 Ray wants to buy an item worth \$500. Which option is the most cost-effective?

buying the item at list price with a coupon for \$10 off

buying a membership for \$35 and then getting the item at a 15% discount

buying the item online at a 10% discount and paying \$4 extra for shipping

## Summary

You have two coupons: one for 10% off an item and one for \$10 off an item. Which coupon should you use for an item that costs \$94? Which should you use for an item that costs \$113?