

## Sales, Discounts and Rebates

### Objectives

In this lesson you will:

- ✓ find the amount of discount for a sale item
- ✓ find the cost of an item after a rebate
- ✓ calculate sale prices according to the dollar amount, percent, or fraction off the original prices



### Discount Prices

Stores have lots of kinds of sales. There are grand-opening sales, anniversary sales, end-of-season sales, holiday sales, and so on. When merchandise is *marked down*, it is *discounted*. The amount of **discount** is the difference between the original price and the sale price.

### Example 1

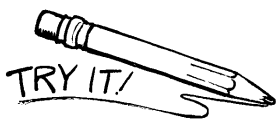
A shirt is on sale for \$16.95. The original price was \$21.50. What is the amount of discount?

### Solution

Subtract the sale price from the original price.

$$\begin{array}{r} \$21.50 \\ - 16.95 \\ \hline \$4.55 \end{array}$$

The amount of the discount is \$4.55.



**Find the amount of the discount.**

1. Regular price: \$39.95  
Sale price: \$34.50

2. Regular price: \$19.98  
Sale price: \$14.40

3. Regular price: \$6.49  
Sale price: \$5.50

4. Regular price: \$3.99  
Sale price: \$2.89

5. Regular price: \$55.00  
Sale price: \$46.95

6. Regular price: \$37.95  
Sale price: \$28.95

**Rebates**

Some merchandise has a special discount called a rebate. A **rebate** is part of the purchase price of an item that the seller or producer gives back to the buyer. With a mail-in rebate, the buyer must mail a copy of his or her receipt somewhere in order to get the rebate. The seller or producer then mails back a check for the amount of the rebate.

Usually rebates are given on items that are fairly expensive. In recent years they have become popular with car manufacturers. Car rebates are not the “mail-in” variety. The dealer subtracts the amount of the rebate from the price of the car and the manufacturer sends that

amount to the dealer. It allows the manufacturer to have a sale that does not hurt their retailers. They can control how much rebate to offer and how long.

Car manufacturers use rebates for many reasons. They offer rebates on models to help increase sales (such as end of the year models in cars, models that are not selling well or models that they are soon going to stop producing).

Most rebate offers (excluding car manufacturers) have a rebate form the customer must fill out that indicates when they bought the product (it must be within the dates of the rebate offer), how much they paid for the item, where they bought the item and the customer's name and address (so they know where to send the rebate). You usually have to include the sales receipt that verifies this information. You must also send the filled out information in. This is one reason that rebates on small items are not too effective. Few people would bother doing the work of sending rebates for small amounts.

Sometimes the amount is small but the manufacturer allows you to send in rebates on more than one of the items. An example would be a \$2.00 rebate on a package of recordable CDs. More people would submit the rebate form if you were allowed to send in up to 5 purchases since the rebate would now be \$10.00.

The retailers like rebates since they can offer the product at a lower cost but not a lower cost to them since the manufacturer pays for the rebate.

Retailers can offer their own rebates but much more often it is the manufacturer of the items. Rebates are sometimes called manufacturer's sales.

### ***Example 2***

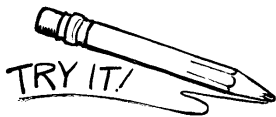
A computer is priced at \$849. It has a rebate of \$50. What is the cost of the computer after the rebate?

### ***Solution***

Subtract the amount of the rebate from the price.

$$\begin{array}{r} \$849 \\ - \quad 50 \\ \hline \$799 \end{array}$$

After the rebate, the cost of the computer is \$799.



**Find the cost of each item after the rebate.**

**7.** Original price: \$449.00  
Rebate: \$80.00

**8.** Original price: \$85.95  
Rebate: \$20.00

**9.** Original price: \$27.55  
Rebate: \$8.00

**10.** Original price: \$349.00  
Rebate: \$75.00

**11.** Original price: \$999.00  
Rebate: \$125.00

**12.** Original price: \$799.00  
Rebate: \$120.00



### Practice Problems: Group I

Directions: Use a piece of scrap paper or any space available on these pages to work out the answers to these questions. Better yet, see if you can do them in your head – good practice for shopping.

#### Set A

Find the amount of the discount.

1. Regular price: \$19.00      Sale price: \$12.50
2. Regular price: \$1.79      Sale price: \$1.25
3. Regular price: \$14.49      Sale price: \$11.99
4. Regular price: \$47.95      Sale price: \$39.95
5. Regular price: \$219.00      Sale price: \$169.00

#### Answers

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#### Set B

Find the cost of each item after the rebate.

1. Regular price: \$69.99      Rebate: \$20.00
2. Regular price: \$84.50      Rebate: \$15.00
3. Regular price: \$449.95      Rebate: \$80.00
4. Regular price: \$769.00      Rebate: \$125.00
5. Regular price: \$889.00      Rebate: \$75.00

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#### Sale Prices

Stores frequently offer sale prices, which are usually a dollar amount or percentage off the original price for an item. For example, a blouse could be \$5.00 off the original price. A pair of shoes could be 20% off the original price.

#### Example 3

The original price of a dress is \$55.00. It is on sale for \$16.00 off the original price. What is the sale price?

\$55.00

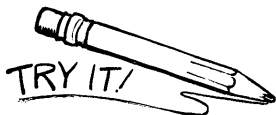
-16.00

\$39.00

#### Solution

Subtract the amount off from the original price.

The sale price is \$39.00.



**Find the sale price.**

**13.** Original price: \$29.95

Sale: \$8.00 off

**14.** Original price: \$69.95

Sale: \$15.00 off

**15.** Original price: \$31.99

Sale: \$6.00 off

**16.** Original price: \$4.49

Sale: \$1.25 off

**17.** Original price: \$144.95

Sale: \$25.00 off

**18.** Original price: \$4.49

Sale: \$1.50 off

**Example 4**

The original price of a three-piece suit is \$349.50. It is on sale for 30% off. What is the sale price?

**Solution**

Convert the percentage to a decimal.

$$30\% = .30$$

To find the amount off, multiply the original price by the decimal.

$$\$349.50$$

$$\times \quad \underline{0.30}$$

$$\$104.85$$

Subtract the amount off from the original price.

$$\$349.50$$

$$\underline{-104.85}$$

$$\$244.65$$

The sale price is \$244.65.



**Find the sale price.**

**19.** Original price: \$39.00

Sale: 40% off

**20.** Original price: \$89.50

Sale: 20% off

**21.** Original price: \$69.00

Sale: 25% off

**22.** Original price: \$44.00

Sale: 75% off



**Bargain Hunting**

Some items are traditionally on sale during a certain time of year. At the end of each season, you will often find seasonal clothing on sale. For example, swimsuits and barbeque supplies may be on sale at the end of the summer. Smart shoppers can find bargains by shopping at end-of-season and other clearance sales.

You have already learned about sales that are a percent off the original price. Stores also have sales that offer a fraction off the original price. This is just a different way of saying that an item is on sale for a percent off. For example, “ $\frac{1}{2}$  off” is the same as “50% off.”

To convert a fraction to a decimal, divide the top number, called the **numerator**, by the bottom number, called the **denominator**.

**Example 5**

The original price of a television was \$168.00. It is on sale for  $\frac{1}{4}$  off. What is the sale price?

**Solution**

Convert the fraction to a decimal. Divide the 1 (numerator) by the 4 (denominator).

$$\frac{1}{4} = 0.25$$

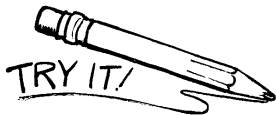
To find the amount off, multiply the original price by the decimal.

$$\begin{array}{r} \$168.00 \\ \times \quad 0.25 \\ \hline \$42.00 \end{array}$$

Subtract the amount off from the original price.

$$\begin{array}{r} \$168.00 \\ - \quad 42.00 \\ \hline \$126.00 \end{array}$$

The sale price is \$126.00.



**Find the sale price. Round to the nearest cent.**

**23.** Original price: \$64.20

Sale:  $\frac{1}{2}$  off

**24.** Original price: \$64.00

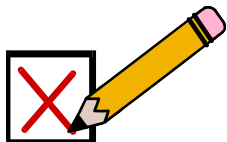
Sale:  $\frac{1}{4}$  off

**25.** Original price: \$54.50

Sale:  $\frac{1}{2}$  off

**26.** Original price: \$210.00

Sale:  $\frac{1}{5}$  off



**Review**

1. Locate and highlight the vocabulary words and their meanings in this lesson.
2. Write one new thing that you learned from this lesson or one question that you would like to ask your mentor.

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## Practice Problems: Group II

Directions: Use a piece of scrap paper or any space available on these pages to work out the answers to these questions. Better yet, see if you can do them in your head – good practice for shopping.

### Set A

Find the sale price.

1. Original price: \$18.89      Sale: \$5.00 off
2. Original price: \$3.39      Sale: \$0.65 off
3. Original price: \$88.95      Sale: \$15.00 off
4. Original price: \$34.50      Sale: \$7.00 off

### Answers

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### Set B

Find the sale price.

1. Original price: \$59.00      Sale: 40% off
2. Original price: \$75.00      Sale: 30% off
3. Original price: \$8.80      Sale: 25% off
4. Original price: \$124.30      Sale: 10% off

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### Set C

Find the sale price. Round to the nearest cent.

1. Original price: \$64.50      Sale:  $\frac{1}{2}$  off
2. Original price: \$299.00      Sale:  $\frac{1}{5}$  off
3. Original price: \$35.00      Sale:  $\frac{1}{2}$  off
4. Original price: \$18.00      Sale:  $\frac{1}{4}$  off

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|-------------|--------------|--------------|
| 1. \$5.45   | 10. \$274.00 | 19. \$23.40  |
| 2. \$5.58   | 11. \$874    | 20. \$71.60  |
| 3. \$0.99   | 12. \$679.00 | 21. \$51.75  |
| 4. \$1.10   | 13. \$21.95  | 22. \$11.00  |
| 5. \$8.05   | 14. \$54.95  | 23. \$32.10  |
| 6. \$9.00   | 15. \$25.99  | 24. \$48.00  |
| 7. \$369.00 | 16. \$3.24   | 25. \$27.25  |
| 8. \$65.95  | 17. \$119.95 | 26. \$168.00 |
| 9. \$19.55  | 18. \$2.99   |              |



Answers to Practice Problems



Group I

Set A

Set B

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|------------|-------------|
| 1. \$6.50  | 1. \$49.99  |
| 2. \$0.54  | 2. \$69.50  |
| 3. \$2.50  | 3. \$369.95 |
| 4. \$8.00  | 4. \$644.00 |
| 5. \$50.00 | 5. \$814.00 |

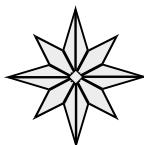
Group II

Set A

Set B

Set C

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|------------|-------------|-------------|
| 1. \$13.89 | 1. \$35.40  | 1. \$32.25  |
| 2. \$2.74  | 2. \$52.50  | 2. \$238.20 |
| 3. \$73.95 | 3. \$6.60   | 3. \$17.50  |
| 4. \$27.50 | 4. \$111.87 | 4. \$13.50  |



End of Lesson