

**LESSON**  
**3-3**

# Markup and Markdown

## Success for English Learners

A **markup** is a percent *increase*. With a markup, the price goes **UP**. ↑

A **markdown** is a percent *decrease*. With a markdown, the price goes **DOWN**. ↓

### Problem 1

Find the retail price.

$$\text{Retail price} = \text{Original cost} + \text{Markup}$$

A store buys soccer balls for \$5.  
The store's markup is 45%.

#### Step 1

Find the markup.

$$\$5 \times 0.45 = \$2.25$$

#### Step 2

ADD the markup to the original cost.

$$\$5 + \$2.25 = \$7.25$$

The retail price of a soccer ball is \$7.25.

### Problem 2

Find the sale price.

$$\text{Sale price} = \text{Original price} - \text{Markdown}$$

The original price of a sweater is \$60.  
On sale, the markdown is 20%.  
Find the sale price.

#### Step 1

Find the markdown.

$$\$60 \times 0.20 = \$12$$

#### Step 2

SUBTRACT the markdown from the original price.

$$\$60 - \$12 = \$48$$

The sale price of the sweater is \$48.

1. Explain the difference between a markup and a markdown.

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2. Explain the difference between a retail price and a sale price.

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3. Write your own word problem using a markup or a markdown.

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