# #2 Calculating the Sale Price & Total Cost of a Purchased Item

**Discount:** The amount saved and subtracted from the original price of an item to get the discounted price.

**Example 1:** In a video store, a DVD that **sells for $15** is marked, **"10% off"**.
What is the discount? What is the sale price of the DVD?

**Solution:** The discount rate is 10%. Convert the rate to a decimal: $\frac{10\%}{100\%} = 0.10$
The discount is: 0.10 x $15.00 = $1.50
The sale price is calculated as follows: original price - discount
$15.00 - 1.50 = $13.50

**Answer:** The **discount is $1.50** and the **sale price is $13.50**.

**Example 2:** What is the total cost of the DVD, knowing that you will have to pay 13% HST

**Solution:** The price is $13.50.
Convert the HST to a decimal: $\frac{13\%}{100\%} = 0.13$
The discoun tHST is: 0.13 x $13.50 = $1.76
The total price is calculated as follows: sale price + HST
$13.50 + 1.76 = $15.26

**Answer:** The **HST is $1.76** and the **sale price total cost is $15.26**.

**Scenario #2**

- Spencer wants to purchase a cell phone.
- Costco is selling the model he wants for $750.00.
- They are offering 10% discount, if cash is paid.
- 13% HST must be paid on all purchases
- Spencer has 5 one-hundred dollar bills, and 14 twenty dollar bills in his wallet.

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| 1. What would be the discount Spencer receives by paying cash | |
| 2. What would be the discounted price of the cell phone? | |
| 3. What would be the HST on the purchase? | |
| 4. How much money would Spencer actually spend to purchase the cell phone? | |
| 5. How much cash does Spencer have in total? | |
| 6. How much change will Spencer receive? | |

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