

Marking up products

A net profit rate is



Marking up products covers overhead. The formula for finding the net profit rate is shown below:

Net Profit = Markup - Overhead

$$\text{Net\_Profit\_Rate} = \frac{\text{Net\_Profit}}{\text{Selling\_Price}}$$

Item	Selling Price	Cost	Markup	Overhead	Net Profit
Widget 1	\$65.71	\$29.56	\$36.15	\$21.91	\$14.24
Widget 2	66.84	16.28	50.56	39.96	10.60
Widget 3	78.13	34.90	43.23	34.01	9.22
Widget 4	76.62	27.03	49.59	35.95	13.64

Which item has a net profit rate of 17.80%?

- a. Widget 2  
b. Widget 1  
c. Widget 3  
d. Widget 4



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Item	Selling Price	Cost	Markup	Overhead	Net Profit	Net Profit Rate
Widget 1	\$55.68	\$17.02	\$38.66	\$26.89	\$11.77	21.14%
Widget 2	53.99	16.80	37.19	26.48	10.71	19.84
Widget 3	52.09	15.30	36.79	25.84	10.95	19.94
Widget 4	64.57	27.55	37.02	28.49	8.53	13.21

Which item has a net profit rate that is incorrectly calculated?

- a. Widget 1  
b. Widget 3  
c. Widget 4  
d. Widget 2

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Emma Waldon works at America Online in the purchasing department. Emma is ordering \$2,447.84 of lucras that the company will sell for a total of \$4,259.24. The overhead associated with this product is \$660.92. What is the net profit rate? Express your answer to the nearest tenth of a percent.

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Irene Kensington works at Blockbuster Video in the purchasing department. Irene is ordering \$4,289.83 of lucras that the company will sell for a total of \$8,150.67. The overhead associated with this product is \$1,201.15. What is the net profit rate? Express your answer to the nearest tenth of a percent.

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Emma Kensington works at Atari in the purchasing department. Emma is ordering \$2,384.80 of benacods that the company will sell for a total of \$3,529.50. The overhead associated with this product is \$667.74. What is the net profit? Express your answer as a dollar amount to the nearest cent.

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$$\text{Net\_Profit\_Rate} = \frac{\text{Net\_Profit}}{\text{Selling\_Price}}$$

Kado Waldon works at Delorean Motor Company in the purchasing department. Kado is ordering \$4,358.73 of shollars that the company will sell for a total of \$6,625.27. The overhead associated with this product is \$1,307.62. What is the net profit? Express your answer as a dollar amount to the nearest cent.