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**commission**

A fee paid to a person for making a sale.

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**compatible numbers**

Numbers that are close to the given numbers that make estimation or mental calculation easier.

To estimate  $7957 + 5009$ ,  
use the compatible numbers  
8000 and 5000:

$$8000 + 5000 = 13,000.$$

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**discount**

The amount by which the original price is reduced.

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**percent of decrease**

A percent change describing a decrease in a quantity.

An item that costs \$8 is marked down to \$6. The amount of the decrease is \$2, and the percent of decrease is  $\frac{2}{8} = 0.25 = 25\%$ .

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**percent of increase**

A percent change describing an increase in a quantity.

The price of an item increases from \$8 to \$12. The amount of the increase is \$4 and the percent of increase is  $\frac{4}{8} = 0.5 = 50\%$

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**profit**

The difference between total income and total expenses.

If total income is \$2,400, and total expenses are \$2,100, the profit is  $\$2,400 - \$2,100 = \$300$ .

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**sales tax**

A percent of the cost of an item, which is charged by governments to raise money.

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**simple interest**

A fixed percent of the principal. It is found using the formula  $I = Prt$ , where  $P$  represents the principal,  $r$  the rate of interest, and  $t$  the time.

\$100 is put into an account with a simple interest rate of 5%. After 2 years, the account will have earned  $I = 100 \cdot 0.05 \cdot 2 = \$10$ .