

CHAPTER 5 SECTION 2

PERCENT EQUATIONS: PART I

The basic percent equation is $PERCENT \times BASE = AMOUNT$

Therefore, to solve any equation for the amount, substitute the values given for the percent and base into the formula above.

Example. A real estate broker receives a payment that is 4% of an \$85,000 sale. How much money did the broker receive?

Step 1. Determine what information was given.

Percent = 4% (this is equal to 0.04 since this is 4 parts of 100)

Base = \$85,000 (this is the total amount of money paid for the house, from which the broker receives his share.)

Amount = (this is the money that the broker will receive)

Step 2. Substitute the values from Step 1 into the basic percent equation given above.

$$PERCENT \times BASE = AMOUNT$$

$$(0.04) \times (\$85,000) = AMOUNT$$

$$\$ 3,400 = AMOUNT$$