

Section 1—General Personal Financial LiteracyTitle of Lesson/Subject: *Discount and Sales Tax*

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Time Allotment: One Class Period**Grade Level or Target Audience:** Grades 4-6**ND Standards Competencies:** 2 and 3**Key Economic Concepts:**

Students will be able to calculate the total cost of an item based on percent discount and sales tax.

Brief Description:

Students will change percentages to decimals and find the percent of a number to solve discount and sales tax problems.

Learner Objectives:

1. The student will be able to change percentages to decimals and find the percent of a number.
2. The student will be able to calculate the amount of discount, sale price, and sales tax for a dollar amount.
3. The student will be able to calculate the total cost of an item based on percent discount and sales tax.
4. The student will be able to mentally calculate amount of discount, sale price, sales tax, and total cost for an item that is 10% off and 5% sales tax.
5. The student will be able to write in complete sentences how they mentally solved a discount and sales tax problem.

Introduction:**Classroom Discussion:** Invite students to respond to the following questions: Do you ever look at the price tag of toys and clothes at the store? What happens at the register? Do you pay the exact amount on the price tag? What does it mean to have a sale?**Materials Needed:** Discount and Sales Tax Lesson
Optional: Calculators
Discount and Sales Tax Worksheet**Lesson Outline:**

1. Warm-up: Review converting percentages to decimals. Have students change the following percentages to decimals. 55%, 3%, 100%, 1.5%, 33.67%
2. Motivate the Lesson: Ask students if they ever look at the price tag of toys and clothes at the store. What happens at the register? Do you pay the exact amount on the price tag? What does it mean to have a sale? Verify that students understand the definition of the word “discount”. Ask students if they know the definition of sales tax. What is the current sales tax in their state?
3. Proceed through the lesson with the “Question of the Day”. Explain that they are solving real world problems today. Encourage students to apply this knowledge the next time they go to the store.

4. Verify that students understand the definitions of the amount of discount, sale price, sales tax, and total cost. Students tend to confuse these definitions. Have each student write the definitions in their notes for future reference.
5. Have students complete the Discount and Sales Tax worksheet for homework.

Resources: Internet - <http://www.moneyinstructor.com/lesson/salestax.asp>

Activities:

Distribute copies of the worksheet. Each student should have a copy of the worksheet.

Extension Activities: Have students:

1. Bring in sales receipts for items purchased with a discount
2. Bring in advertisements that show regular prices and discount prices
3. Bring in sales receipts for items purchased that show sales tax

Application/Assignment: Discount and Sales Tax worksheet

Evaluation Plan:

1. Student participation in discussion throughout the lesson.
2. Completion/proficiency of Discount and Sales Tax worksheet.