

## Profit & Loss

In profit and loss problems, **100%** is a key figure because it represents the value of a property before a profit or loss (the price paid for the property).

For a profit, the percent is added to 100%

For a loss, the percent is subtracted from 100%

Example: A home sold for \$617,500 which was 30% more than the previous price. What was the previous price?

$$\$617,500 \div 1.3 = \underline{\$475,000}$$

Note: The percent of profit is expressed as 100% **plus** the percent of profit (30%) or 1.3

Another: A home sold for \$599,690 which was 9% less than its listing price. What was the home listed for?

$$\$599,690 \div .91 = \underline{\$659,000}$$

Note: The percent of loss is expressed as 100% **minus** the percent of loss (9%) or .91