

Numbers and Operations: Food Broker

Albertsons, Inc.

Job Description: Brings the seller and the buyer of food together.

Problem:

What is the retail price at Albertson's grocery store of a package of Gallo Pepperoni?

The case cost of the pepperoni is \$24 per 12 (8 oz.) packages.

The warehouse markup will be 7%.

The store markup will be 38%.

Store markup is on top of warehouse markup.

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Solution:

Package cost = $\$24.00 \div 12 \text{ packages} = \$2.00/\text{package}$

Warehouse markup = $\$2.00 \times .07 = \$.14$

Albertsons markup = $\$2.14 \text{ (door cost)} \times .38 = \$.81$

Albertsons retail price = $\$2.00 + .14 + .81 = \$2.95/\text{package}$