PROFIT, LOSS AND DISCOUNT

PROFIT AND LOSS

- When the selling price (S.P) of an article is more than its cost price (C.P), the article is said to be sold at **PROFIT (GAIN).**
- When the selling price (S.P) of an article is less than its cost price (C.P), the article is said to be sold at **LOSS.**

FORMULAE

- **Profit = S.P. – C.P. >> S.P = C.P + Profit >> C.P = S.P – Profit**
- **Loss = C.P. – S.P. >> S.P = C.P - Loss >> C.P = S.P + Loss**
- $\boldsymbol{Profit}\ (\boldsymbol{gain})\% = \frac{\boldsymbol{Profit}}{\boldsymbol{C.P}} \times \mathbf{100}$
- $\boldsymbol{Loss}\% = \frac{\boldsymbol{Loss}}{\boldsymbol{C.P}} \times \mathbf{100}$
- $\boldsymbol{S.P} = \frac{(\mathbf{100} + \boldsymbol{Gain}\%)}{\mathbf{100}} \times \boldsymbol{C.P}$
- $\boldsymbol{S.P} = \frac{(\mathbf{100} - \boldsymbol{Loss}\%)}{\mathbf{100}} \times \boldsymbol{C.P}$
- $\boldsymbol{C.P} = \frac{\mathbf{100}}{(\mathbf{100} + \boldsymbol{Gain}\%)} \times \boldsymbol{S.P}$
- $\boldsymbol{C.P} = \frac{\mathbf{100}}{(\mathbf{100} - \boldsymbol{Loss}\%)} \times \boldsymbol{S.P}$
- Profit% and Loss% are always calculated on cost price

OVERHEADS

When an article is purchased at one place and is taken to some other place; additional money for transportation, labour, packing, etc. is to be spent. This additional money spent is termed as **“overhead” or “overhead expenses”.**

DISCOUNT

- Reduction on the marked price of their goods is called “**discount”.**
- Discount is always given on marked price (M.P)
- Selling price (S.P) = Marked Price (M.P) – Discount
- Discount = M.P – S.P
- **If discount = d%,** $\boldsymbol{S.P} = \left(\frac{\mathbf{100} - \boldsymbol{d}}{\mathbf{100}}\right) \times \boldsymbol{M.P}$
- **If discount = d%,** $\boldsymbol{M.P} = \left(\frac{\mathbf{100}}{\mathbf{100} - \boldsymbol{d}}\right) \times \boldsymbol{S.P}$

PROFIT, LOSS AND DISCOUNT

- Marked Price is also called **“list price”, “printed price”,** etc