

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**
- ❖ **$Profit (gain)\% = \frac{Profit}{C.P} \times 100$**
- ❖ **$Loss\% = \frac{Loss}{C.P} \times 100$**
- ❖ **$S.P = \frac{(100 + Gain\%)}{100} \times C.P$**
- ❖ **$S.P = \frac{(100 - Loss\%)}{100} \times C.P$**
- ❖ **$C.P = \frac{100}{(100 + Gain\%)} \times S.P$**
- ❖ **$C.P = \frac{100}{(100 - Loss\%)} \times S.P$**
- ❖ 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%, $S.P = \left(\frac{100-d}{100}\right) \times M.P$**
- **If discount = d%, $M.P = \left(\frac{100}{100-d}\right) \times S.P$**

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

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