

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)% = $\frac{\text{Profit}}{\text{C.P}} \times 100$**
- **Gain = % Gain $\times$ CP**
- **Loss% = $\frac{\text{Loss}}{\text{C.P}} \times 100$**
- **Loss = % Loss $\times$ CP**
- Profit% and Loss% are always calculated on cost price

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**
- ❖ **Discount Percent, $d\%$ = $\frac{\text{Discount}}{\text{M.P}} \times 100$**
- ❖ Marked Price is also called “**list price**”, “**printed price**”, etc