11.2A
MARK-UPS, COST OF SALES AND SELLING PRICE

11.2A MARK-UPS, COST OF SALES AND SELLING PRICE

- When recording sales of stock, you may need to calculate the Mark-Up of the stock…

Mark-Up

- The amount added to the cost price of stock to determine its Selling Price.
- Represents the Gross Profit on each sale.

$200 - $50 = $150

$50 + $150 = $200

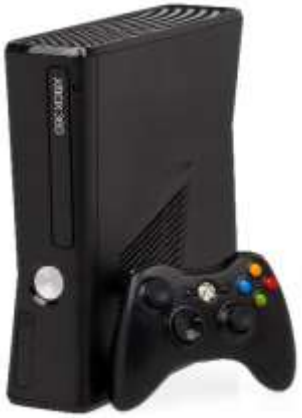
11.2A MARK-UPS, COST OF SALES AND SELLING PRICE

- Example: a firm sold an iPod Nano costing $100 for a 100% Mark-Up

Selling Price	=	Cost Price	x	1 + Mark-Up
$200	=	$100	x	2.0

11.2A MARK-UPS, COST OF SALES AND SELLING PRICE

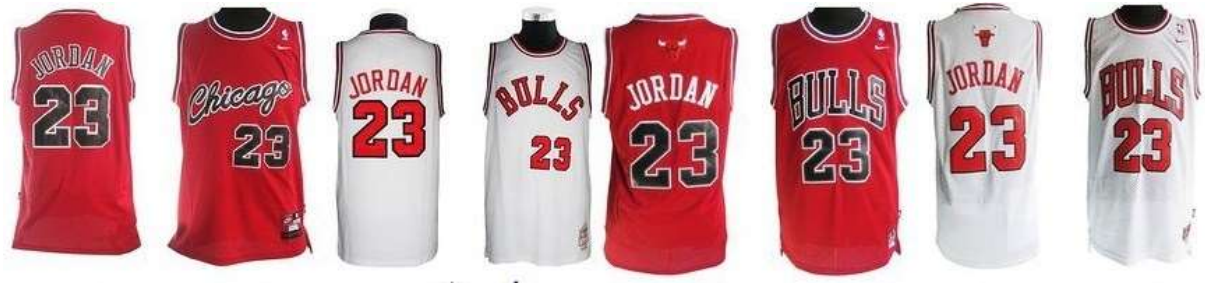
- Example: a retailer adds a 50% Mark-Up to Xbox's which have a cost price of $100



Selling Price	=	Cost Price	X	1 + Mark-Up
$150	=	$100	X	1.5

11.2A MARK-UPS, COST OF SALES AND SELLING PRICE

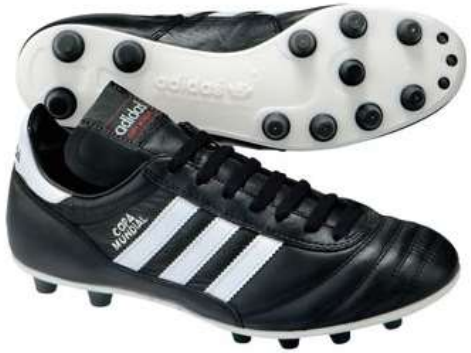
- Other times you may be given the Selling Price and the Mark-Up and be asked to calculate the Cost of Sale…
- Example: Rebel Sport sells NBA Jerseys for $100 at a 100% Mark-Up



Cost Price	=	Selling Price	/	1 + Mark-Up
$50	=	$100	/	2.0

11.2A MARK-UPS, COST OF SALES AND SELLING PRICE

- Example: Rebel Sport sells football boots for $150 at a 50% Mark-Up



Cost Price	=	Selling Price	/	1 + Mark-Up
$100	=	$150	/	1.5

TASK

	In-class	Homework
SQ11	X	