

11. PROFIT AND LOSS

IMPORTANT FACTS

COST PRICE: THE PRICE AT WHICH ARTICLE IS PURCHASED.ABBREVIATED AS C.P.

SELLING PRICE: THE PRICE AT WHICH ARTICLE IS SOLD.

PROFIT OR GAIN:IF SP IS GREATER THAN CP,THE SELLING PRICE IS SAID TO HAVE PROFIT OR GAIN.

LOSS: IF SP IS LESS THAN CP,THE SELLER IS SAID TO INCURED A LOSS.

FORMULA

- 1.GAIN=(SP)-(CP). 2.LOSS=(CP)-(SP).
- 3.LOSS OR GAIN IS ALWAYS RECKONED ON CP
4. GAIN %={GAIN*100}/CP.
- 5.LOSS%={LOSS*100}/CP.
- 6.SP={ (100+GAIN%) /100 } *CP.
- 7.SP={ (100-LOSS%)/100 } *CP.
8. { 100/(100+GAIN%) } *SP
- 9.CP=100/(100-LOSS%) *SP
- 10.IF THE ARTICLE IS SOLD AT A GAIN OF SAY 35%, THEN SP =135% OF CP
- 11.IF A ARTICLE IS SOLD AT A LOSS OF SAY 35%. THEN SP=65% OF CP.
- 12.WHEN A PERSON SELLS TWO ITEMS,ONE AT A GAIN OF X% AND OTHER AT A LOSS OF X%.THEN THE SELLER ALWAYS INCURES A LOSS GIVEN:
$$\{ \text{LOSS}\% = (\text{COMMON LOSS AND GAIN})^2 / 10 = (X/10)^2$$
- 13.IF THE TRADER PROFESSES TO SELL HIS GOODS AT CP BUT USES FALSE WEIGHTS,THEN
$$\text{GAIN} = [\text{ERROR}/(\text{TRUE VALUE}) - (\text{ERROR}) * 100]\%$$