

On Dapaniphagy¹

(May 2025)

The President went on the offensive against Walmart, decreeing that it should *“eat the costs rather than pass them on to customers”*.

Now, considering that:

1. The President is a businessman who graduated in May 1968 as a Bachelor of Science in Economics from the prestigious Wharton School of the University of Pennsylvania;
2. Walmart is an ubiquitous multinational retail corporation with 10,586 stores and is currently the world's largest company by revenue;
3. Walmart's cost of goods sold is **75%** of revenue;
4. The firm's net profitability before tax is **2.75%** of revenue.

Explain in less than 9,999 words the secret behind Walmart's potential *dapaniphagy* for a range of import tax levels (30%, 50%, 100%, 145%, 9,999%), and how the firm should, and will, comply with the Presidential decree that it should eat the costs rather than pass them on to customers.

The winner of this contest will be awarded full unlimited scholarship to the prestigious School of Economics of his choice.

¹ From δαπάνη, cost and φαγεῖν, to eat: eating the costs