DISCOUNTS

OBJECTIVES

Discount is a type of sales promotion. It often used to motivate consumers to try new products and services. The main objective of discounts is to bring an increase in the demand pattern of products and services. It provides important marketing information to the potential buyers. The specific objectives of discounts are:-

- ❖ To introduce new products or services
- ❖ To attract new customers
- ❖ To give rise in existing customers to buy more
- ❖ To increase sales and business in off-seasons
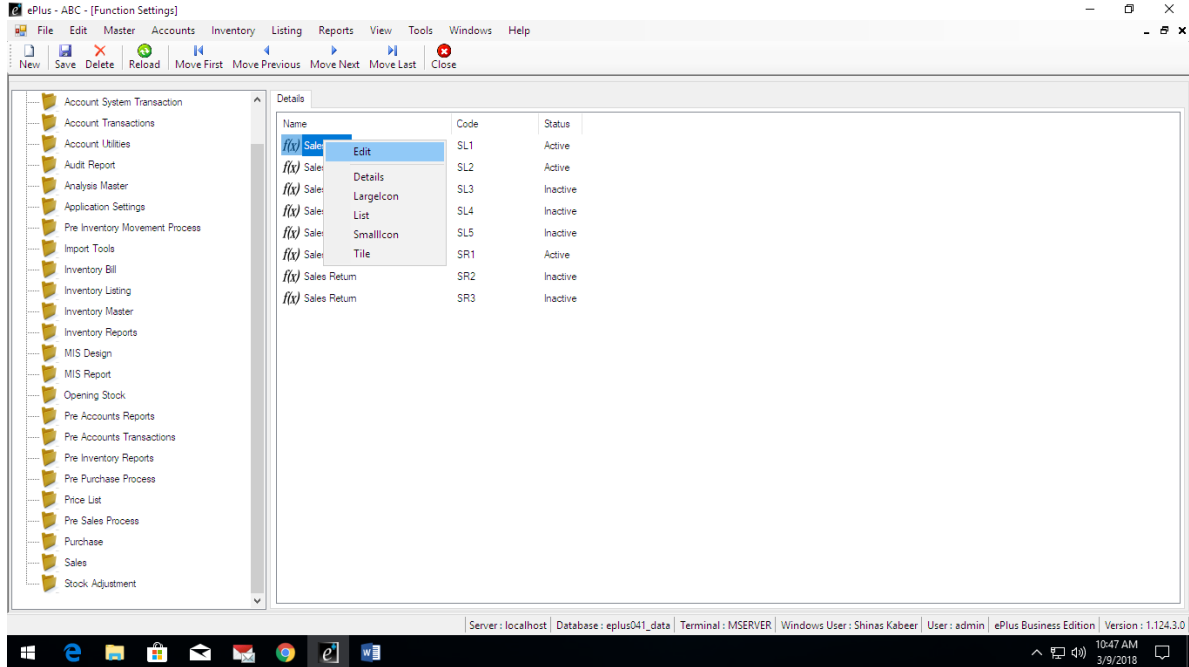
TYPES OF DISCOUNT OPTIONS

- ➢ Discount before tax
- ➢ Discount after tax
- ➢ Account-wise discount
- ➢ Buy nX Get mY
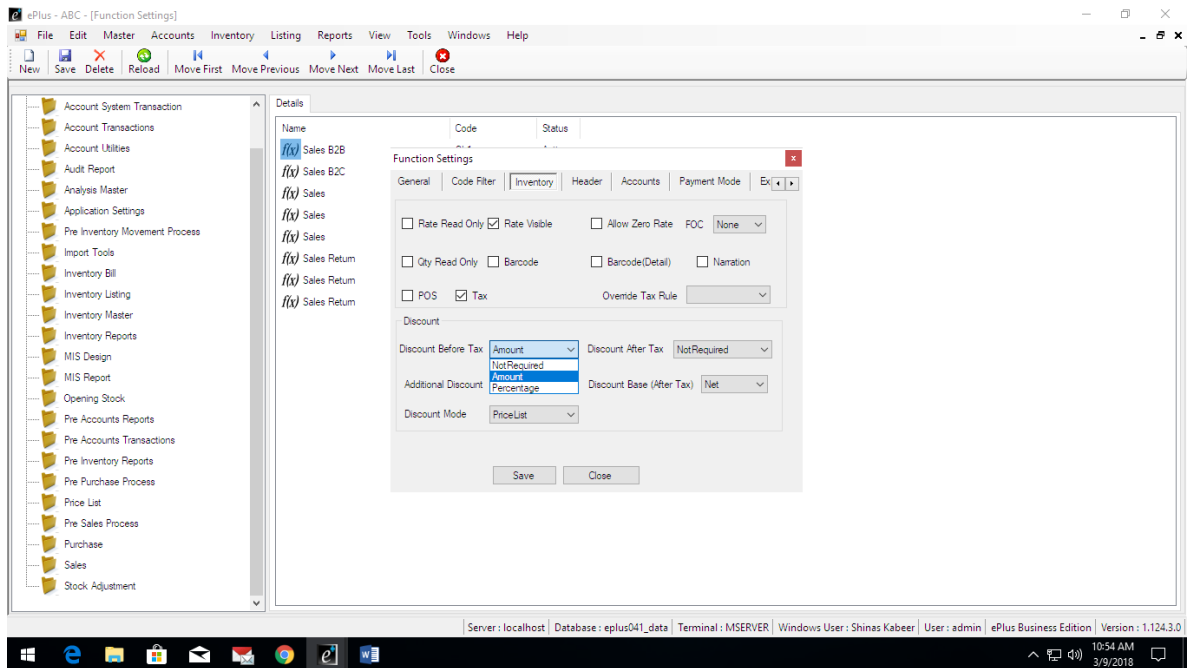- ➢ FOC-Discount
- ➢ FOC-Quantity

DISOUNT BEFORE TAX

- ➢ To set discount before tax:-
1. Select tools -> settings -> function settings
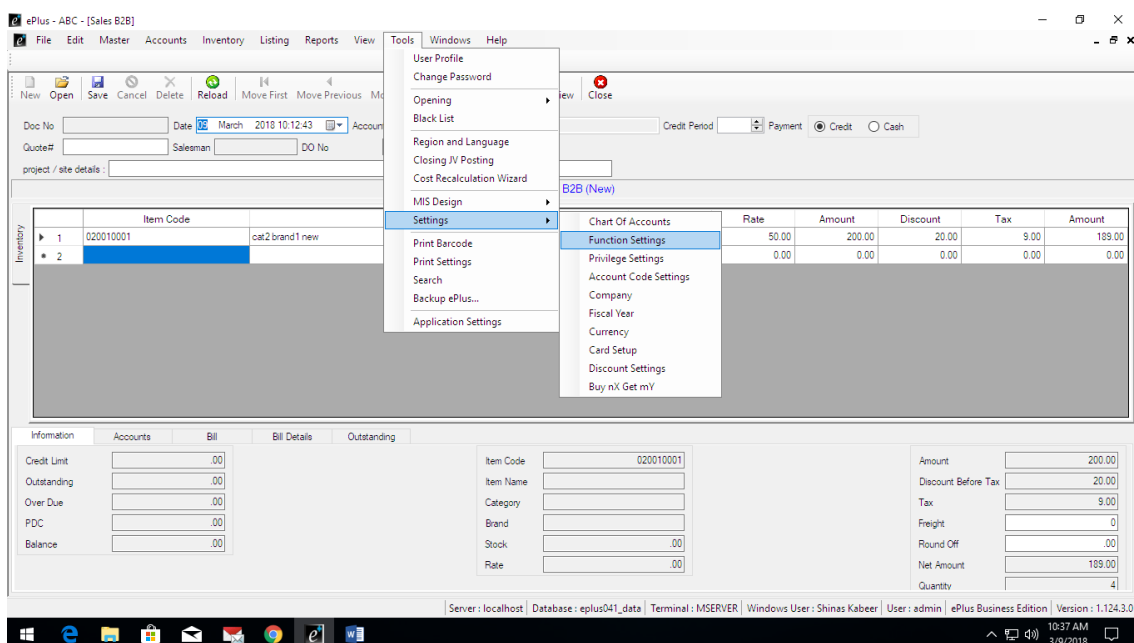
2   Select Sales on left -> select sales on right -> right click -> edit

3   Select inventory from the obtained box-> **discount before tax** :-change the drop down list to 'amount' and save.

4   Select inventory from the tool bar-> sales B2B

Qty	Rate	Amount	Discount	Tax	Grand Amount
2	25	50	5	**2.26**	**47.26**

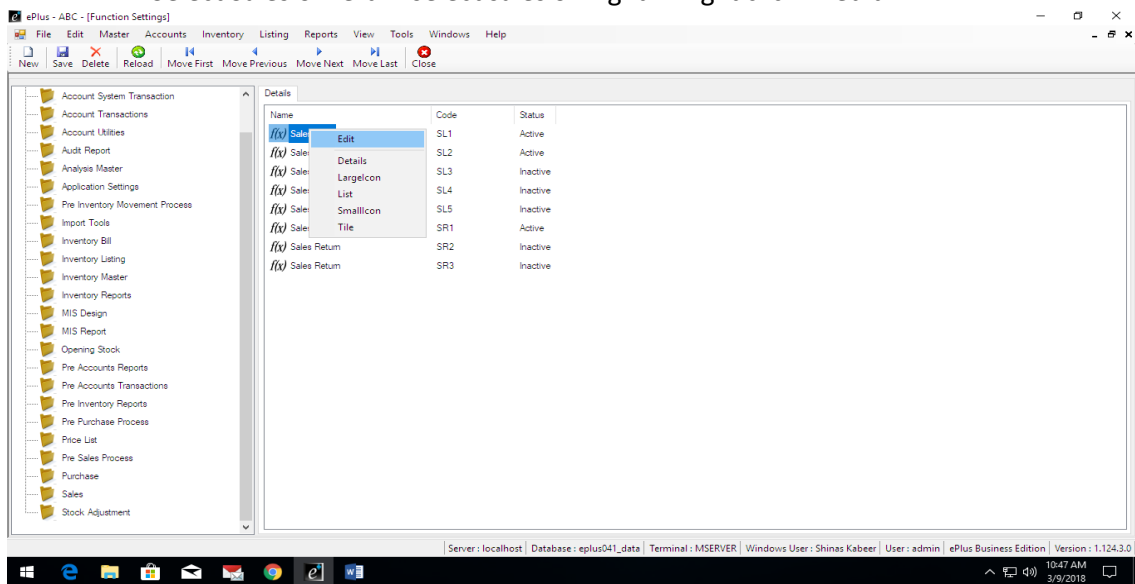**We can see discount field before the tax (discount gives for each items)**

➢ Discount subtracts from the total amount of the items, add tax to it and provide the grand total
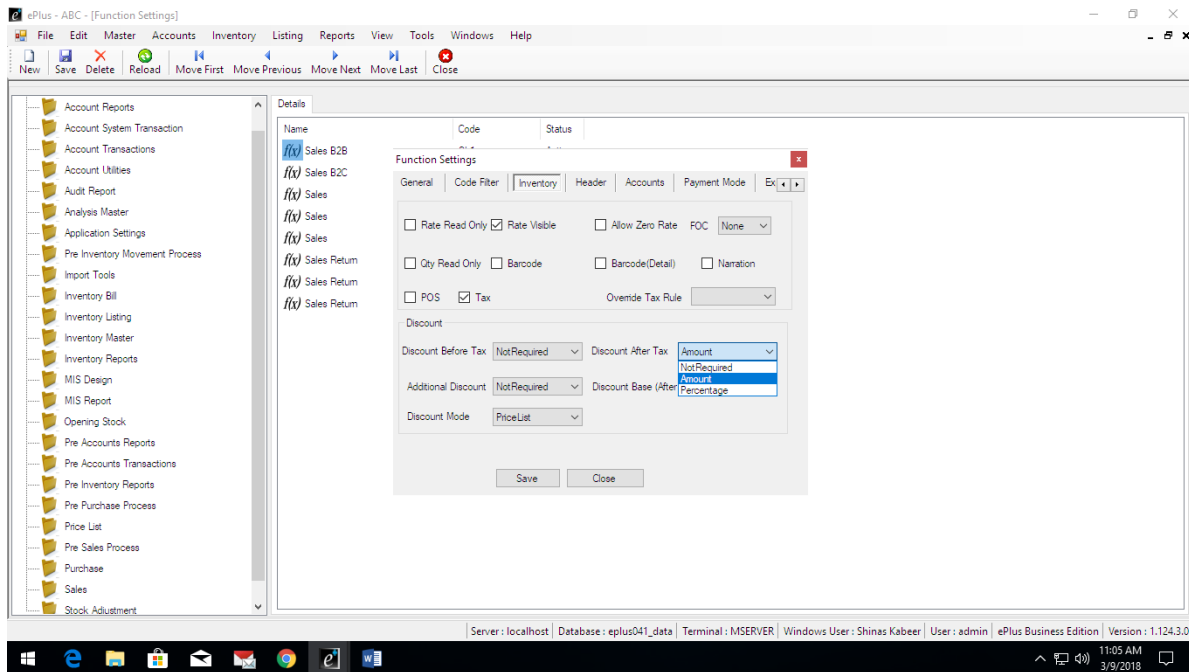
DISCOUNT AFTER TAX

➢ To set discount after tax:-
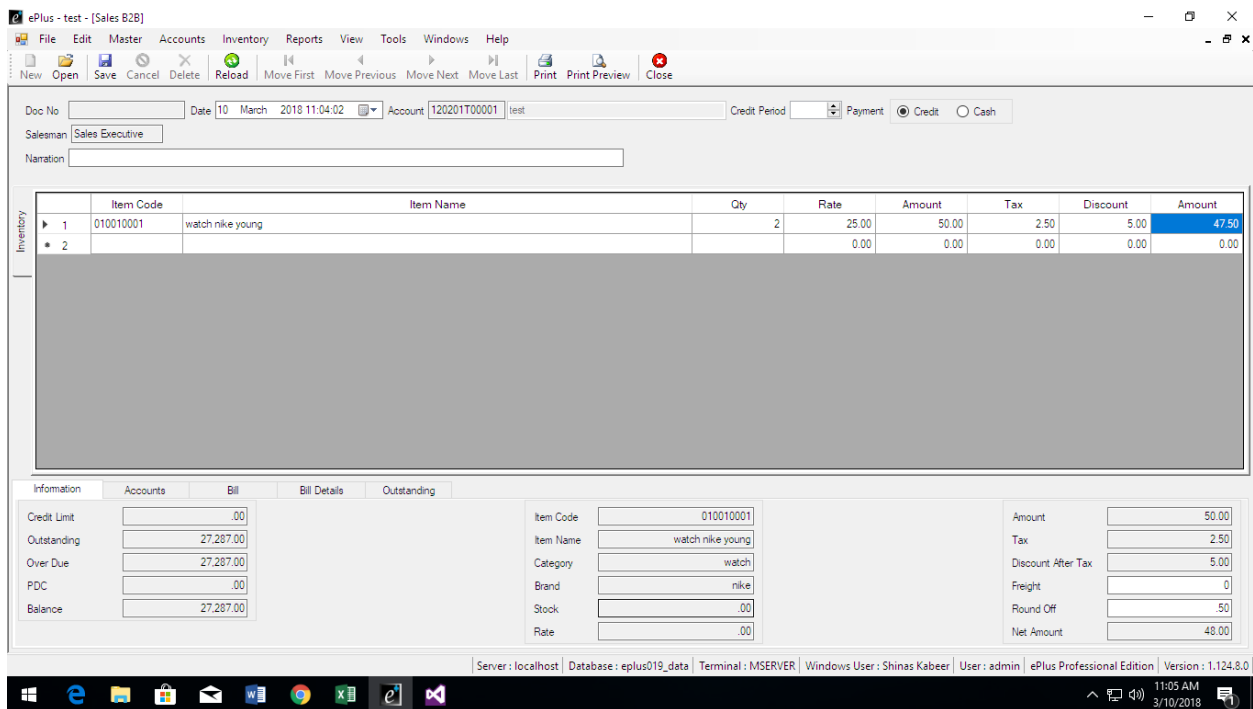 1   Select tools -> settings -> function settings
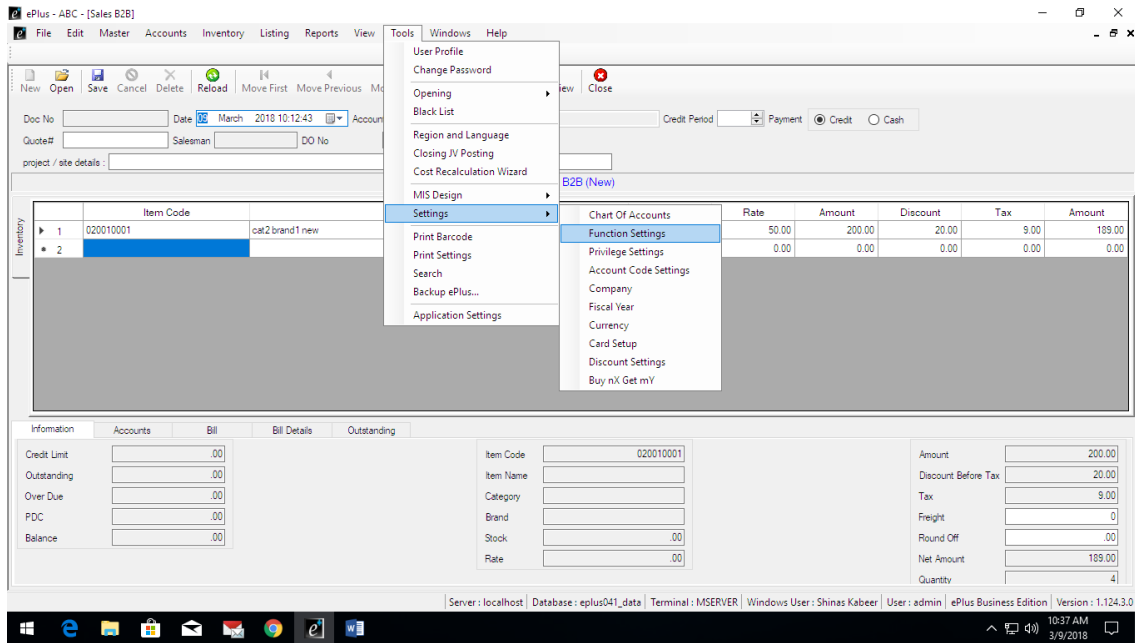
2   Select Sales on left -> select sales on right -> right click -> edit

3   Select inventory from the obtained box**-> discount after tax**:-change the drop down list to 'amount' (change other fields to not required) and save.

4   Select inventory from the tool bar-> sales B2B

Now we can see discount field after the tax.

Qty	Rate	Amount	tax	discount	Grand Amount
2	25	50	2.50	5	47.50

Add tax to the total amount of the items, then subtract the discount and provides total amount.

COMPARISON BETWEEN DISCOUNT BEFORE TAX AND DISCOUNT AFTER TAX

DISCOUNT BEFORE TAX:-	DISCOUNT AFTER TAX
After calculating the total amount of the items, subtract discount from the total and we add the tax, then provide the grand total	After calculating the total amount of the items, we add tax to the total and subtract the discount ,then provides the grand total

PRE-DISCOUNTS SETTING

➢ It helps to set the discount early to each items, no need to type manually at every time.

1   Select inventory from the tool bar-> price list
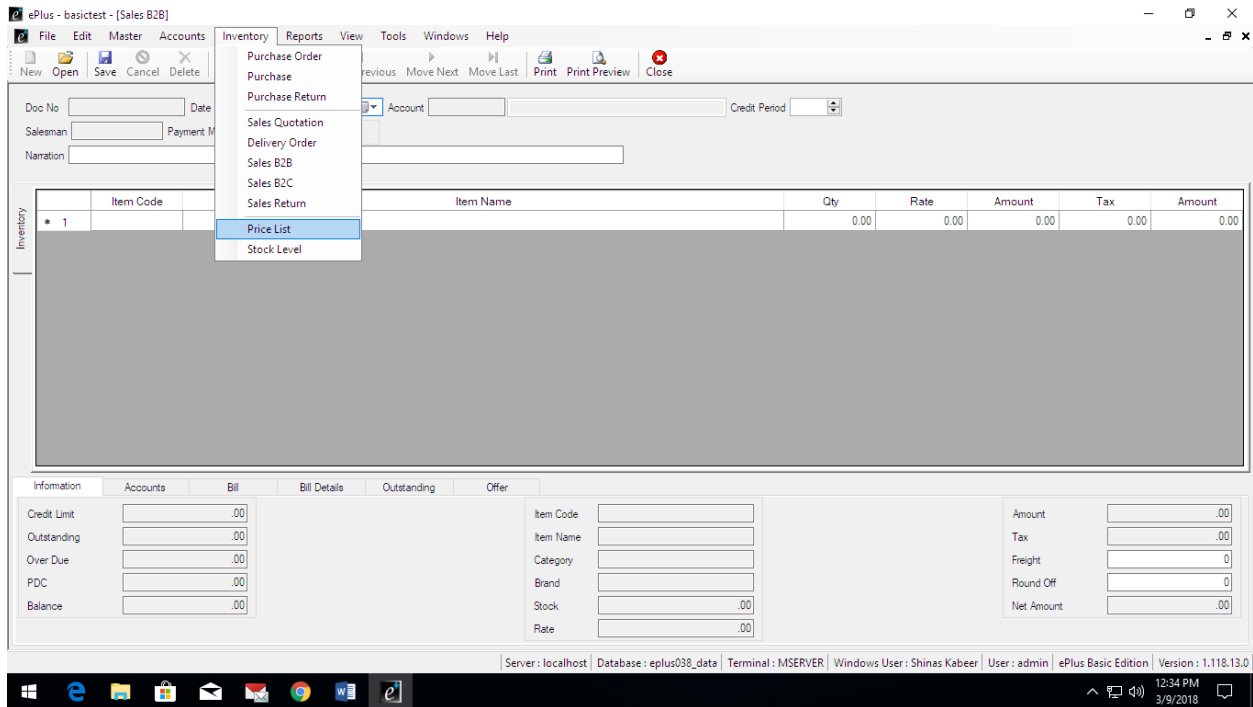
2   We can see the item names, now select more (…)
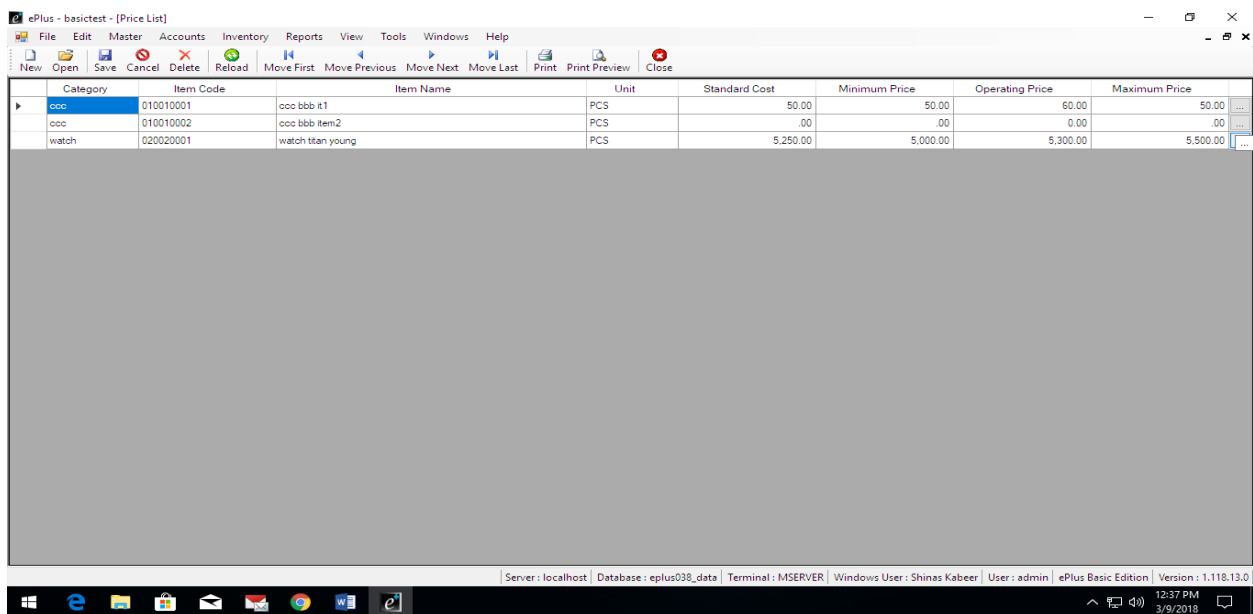

3   We can set both discount and save it.

ACCOUNT-WISE DISCOUNT

➢ It helps to set different discount amounts to different customers. For example, we need to give more discount to a regular customer, we can use this discount type.

➢ We can create a group and add the customer to it. Later on billing, when we give the customer account code or account name, the discount comes automatically.

➢ To set account-wise discounts:-

1   Select tools -> settings -> Privilege settings

2   Select application settings-> expand-> select discount settings (left)-> right click-> new ->
USER:- select drop down list to administrator
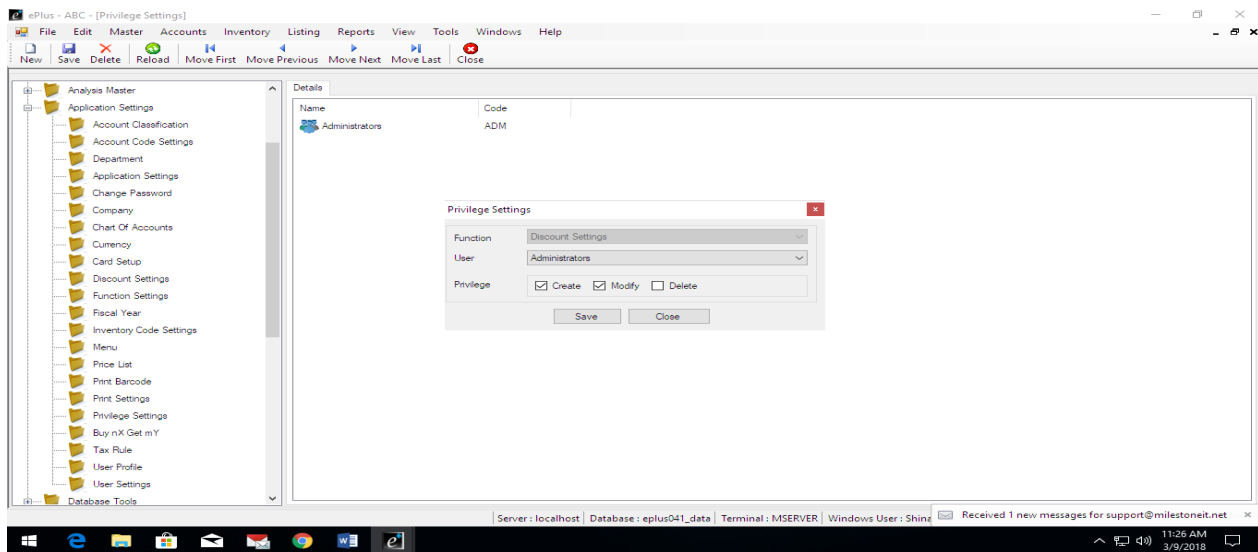
3   Check 'create' and 'modify' on the same window and save
4   Select tools on the tool bar-> settings-> function settings-> sales-> salesB2B(right)-> right
click -> edit-> select inventory ->
Discount mode:-select accounts from the drop down list
Discount before tax or discount after tax:-select percentage from drop down list
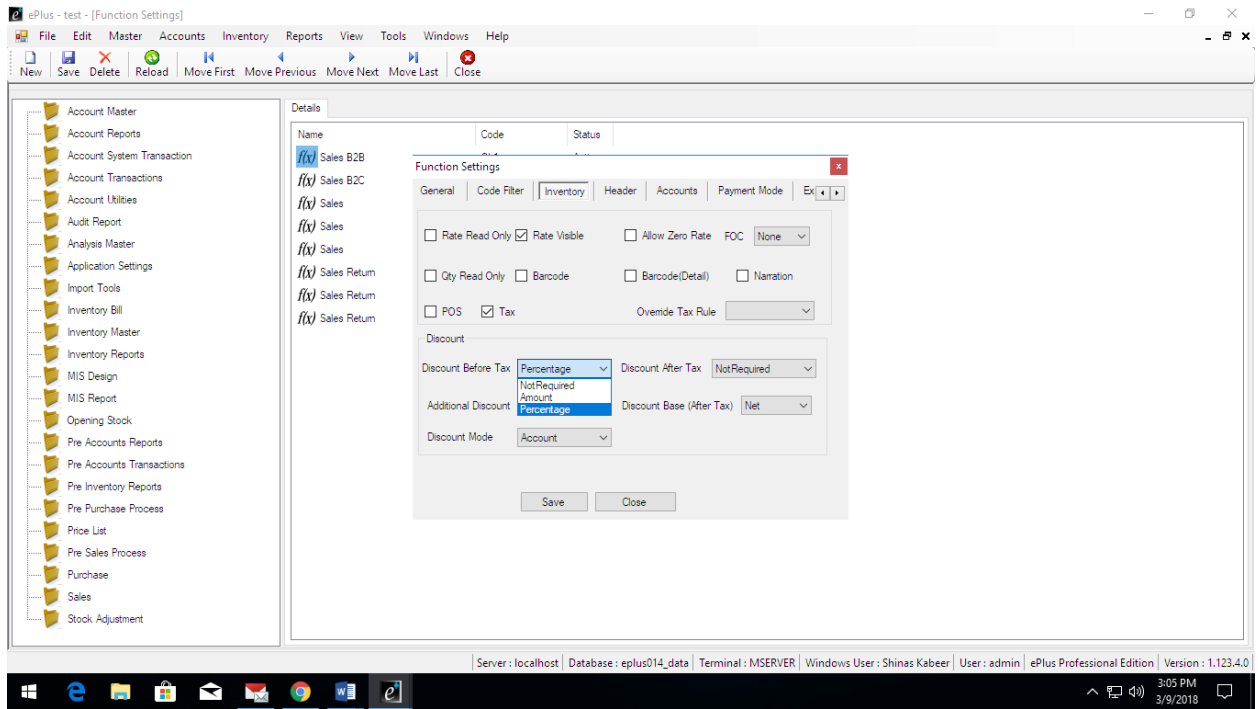
5   Select tools from the tool bar-> settings-> discount setting
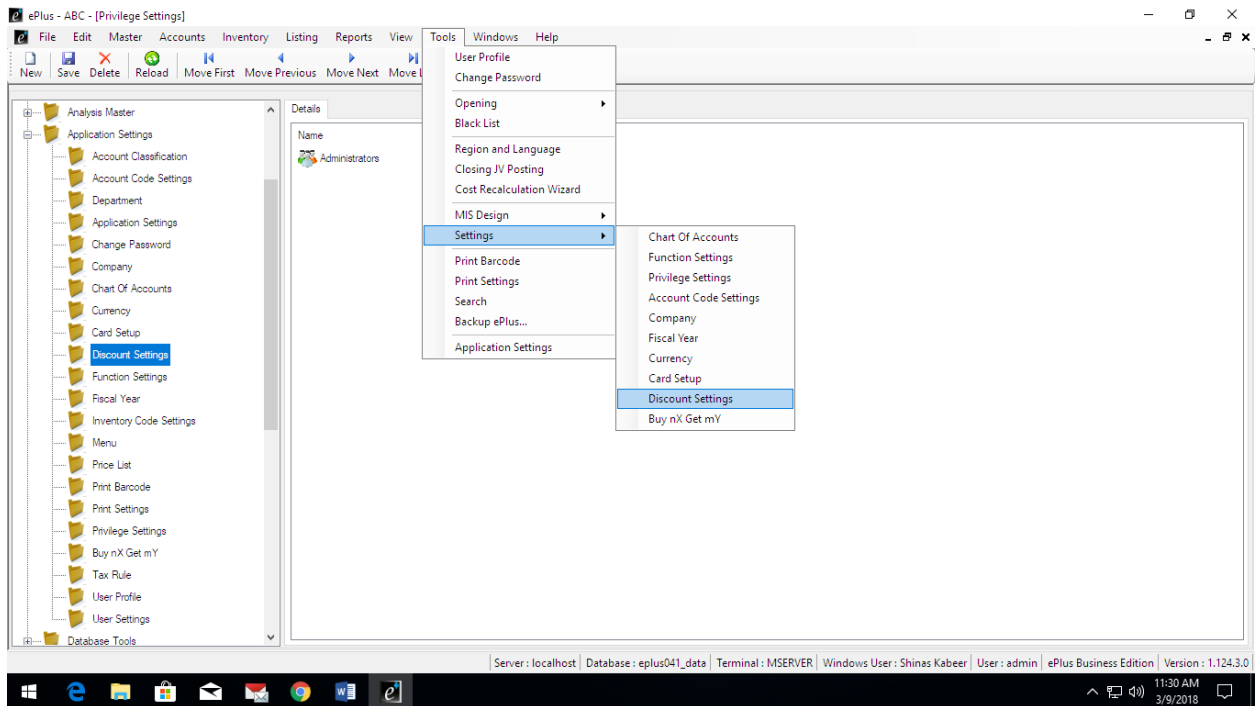
6   Add type of the discounts and add them to the groups and set discounts and save.
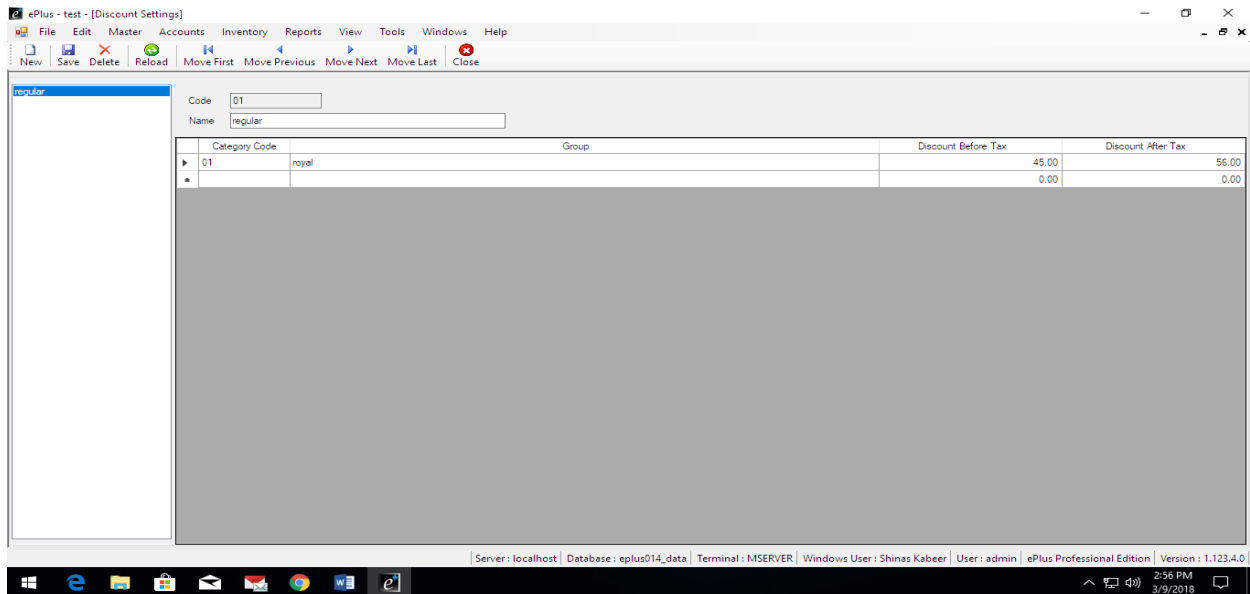
7   Select tools-> settings-> chart of accounts-> assets-> current assets -> sundry debtors->
     sundry debtors on sales-> right click edit -> group details-> check discount -> save
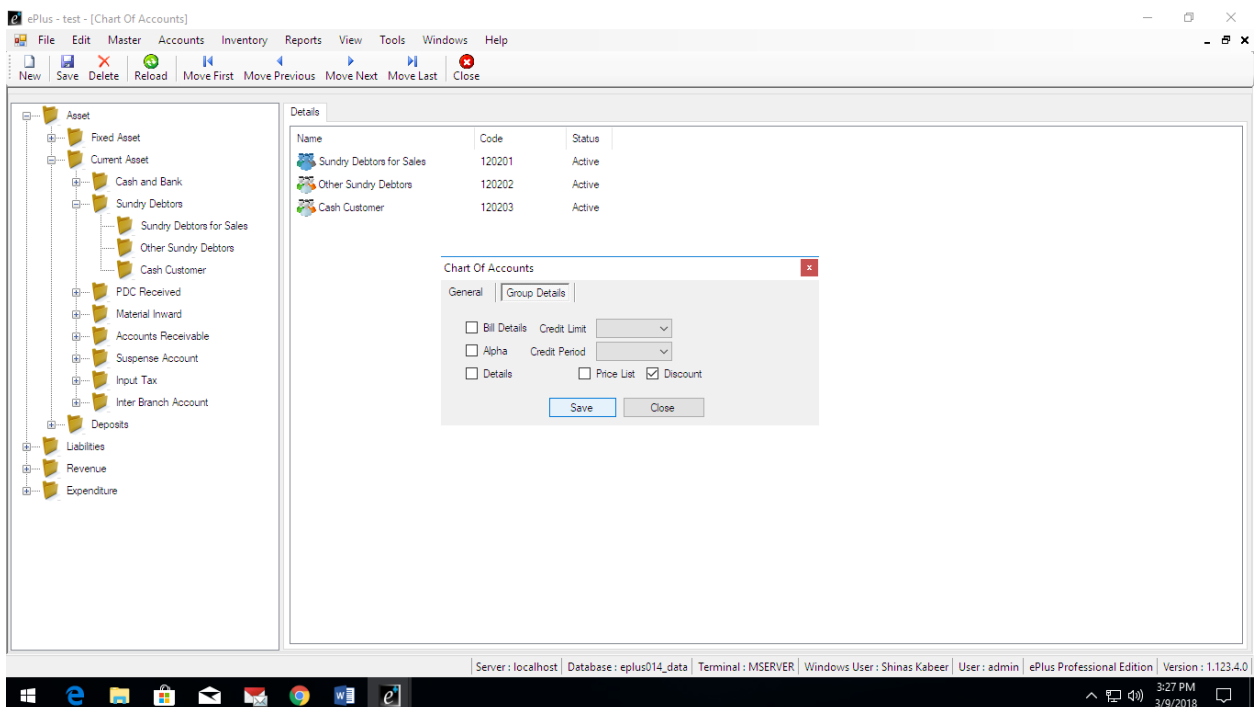
8   Add discount type to the customer (select master from toolbar->customer) and save.

Now we can see the discount percentage field

BUY nX GET mY

➢ It helps to "set buy 2 get 1" like offers to the customers.
➢ To set buy nX get mY:-

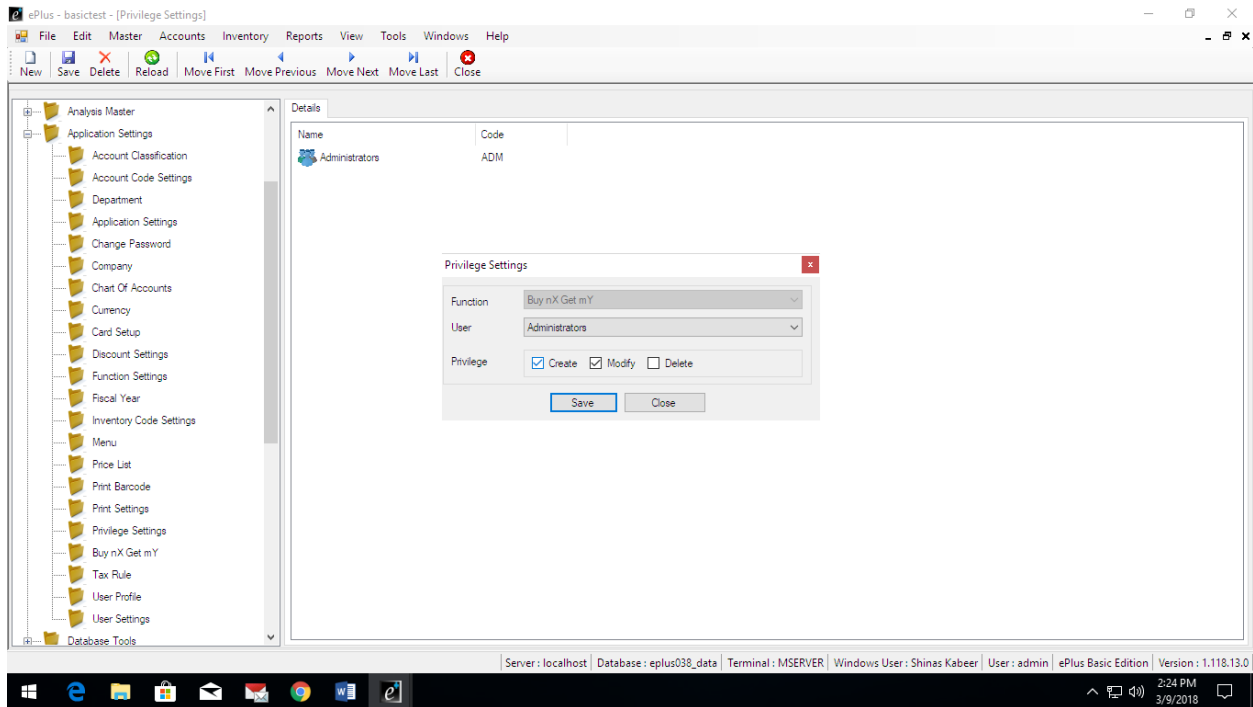1. Select tools -> settings -> Privilege settings

2. Select application settings-> buy nX get mY
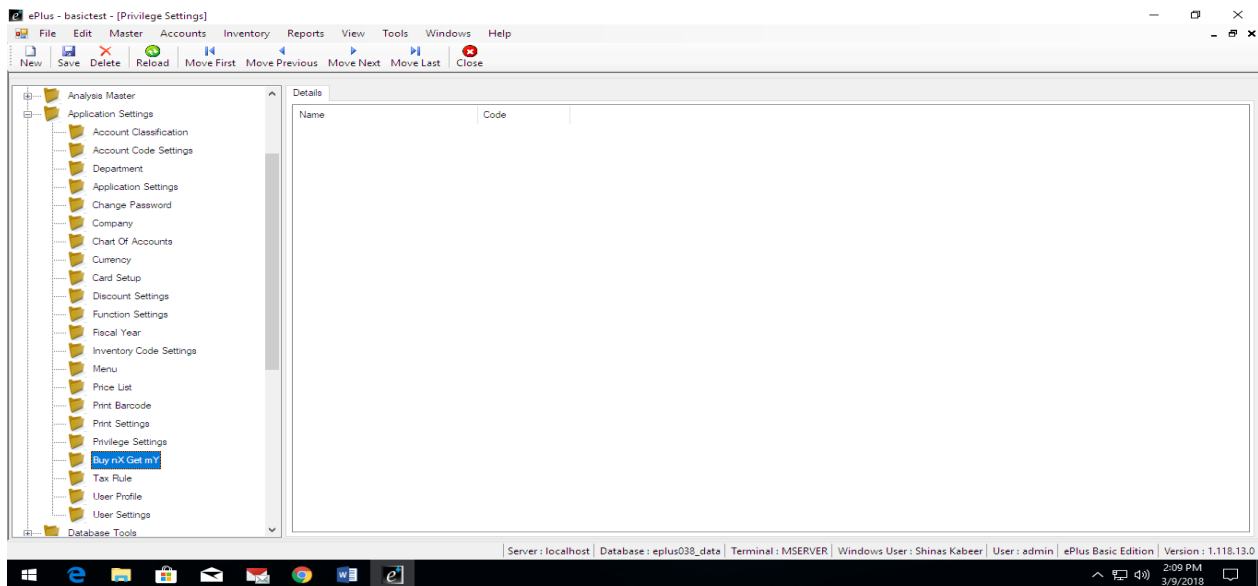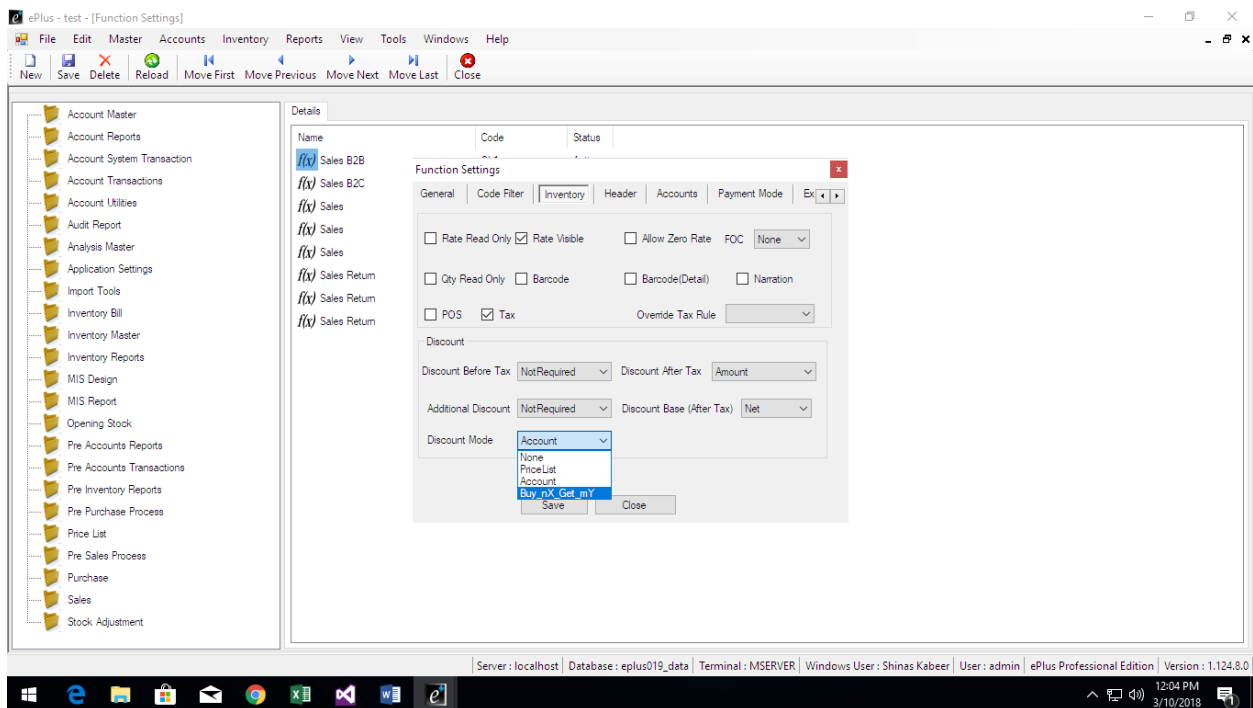

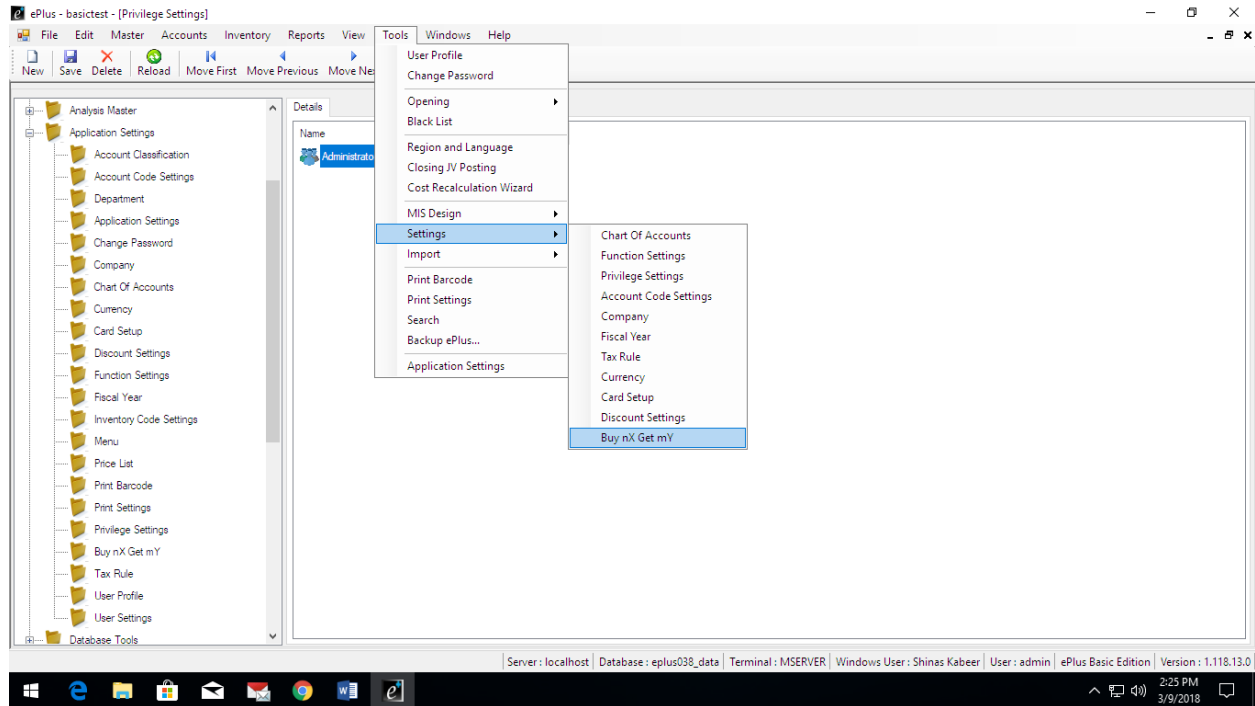3. Right click-> new->**USER**:- select administrator from drop down list
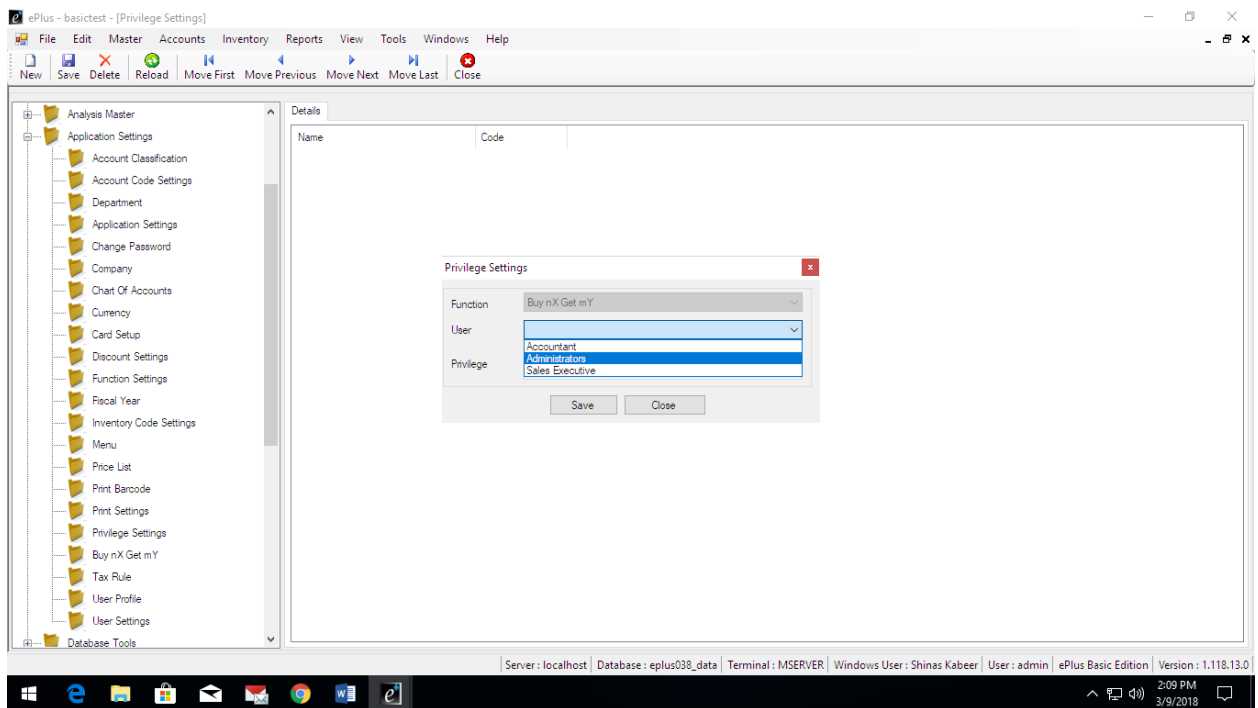
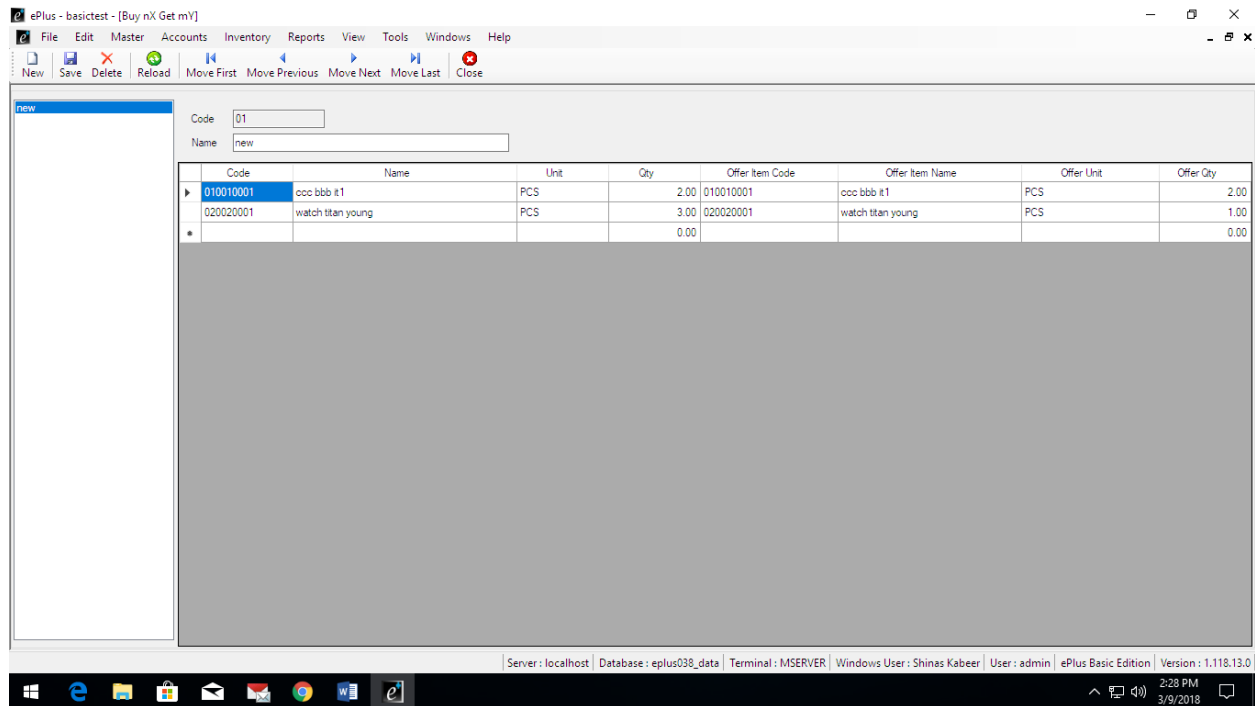4. Check 'create' and 'modify' on the window and save

5. Select tools on the tool bar-> settings-> function settings-> sales-> salesB2B(right)-> right click -> edit-> select inventory ->
Discount mode:-select buy nX and get mY from the drop down list
Discount before tax or discount after tax:-select amount from drop down list

6. Select tools from tool bar-> settings-> buy nX get mY

7. We can add item name and offer quantity

8. Select inventory from the tool bar-> sales B2B

Now we can see the offer.

FOC–discount

1. Select tools-> settings -> function settings-> sales -> salesB2B-> right click-> edit-> inventory ->
   FOC:- select discount from dropdown list-> save

Here,

Qty	FOC	Rate	Amount	Tax	Discount	Amount
5	1	100	500	30	0	530

5 items sold and 1 for free, but it includes 6 item's tax

FOC-quantity

1   Select tools-> settings -> function settings-> sales -> salesB2B-> right click-> edit-> inventory -> **FOC:-**select quantity from dropdown list-> save
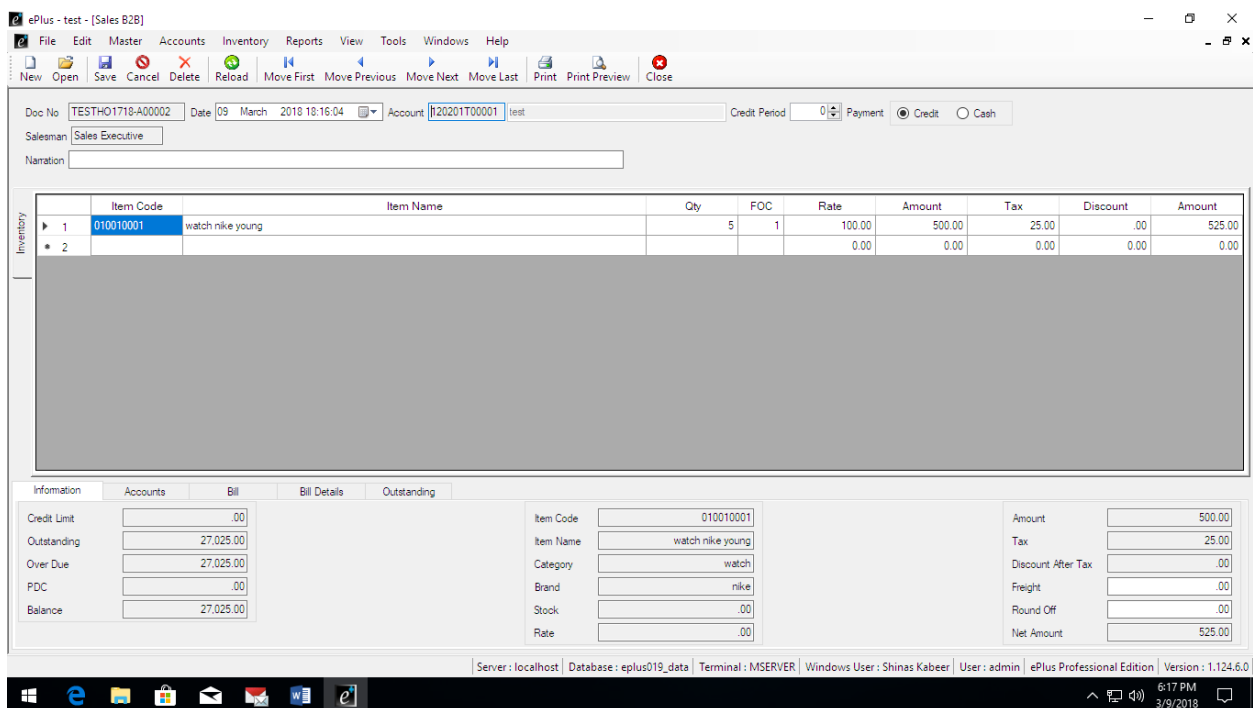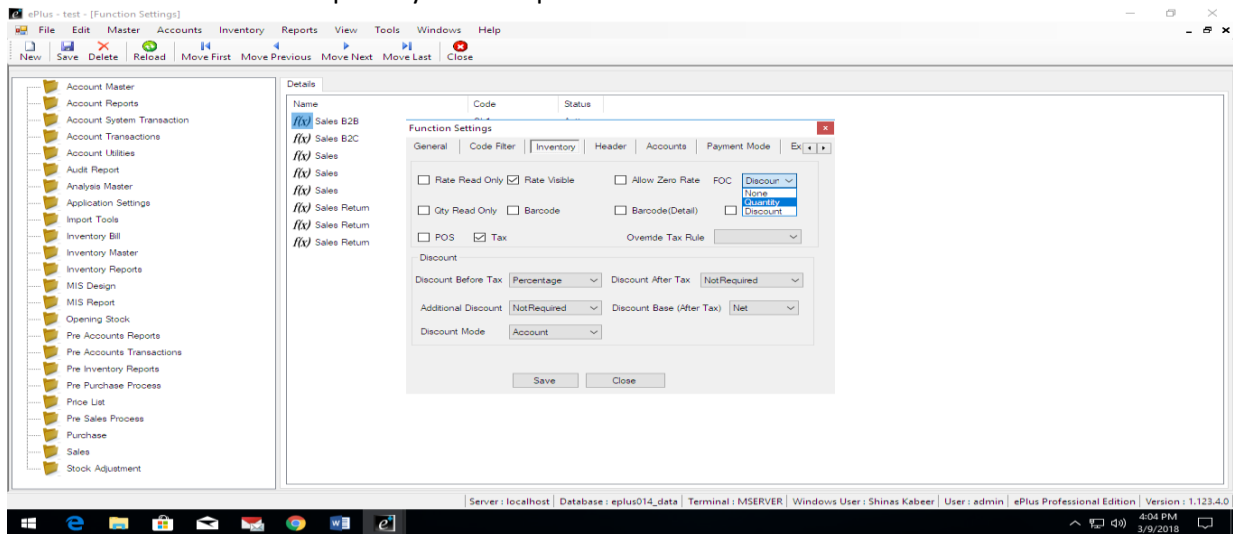
Here,

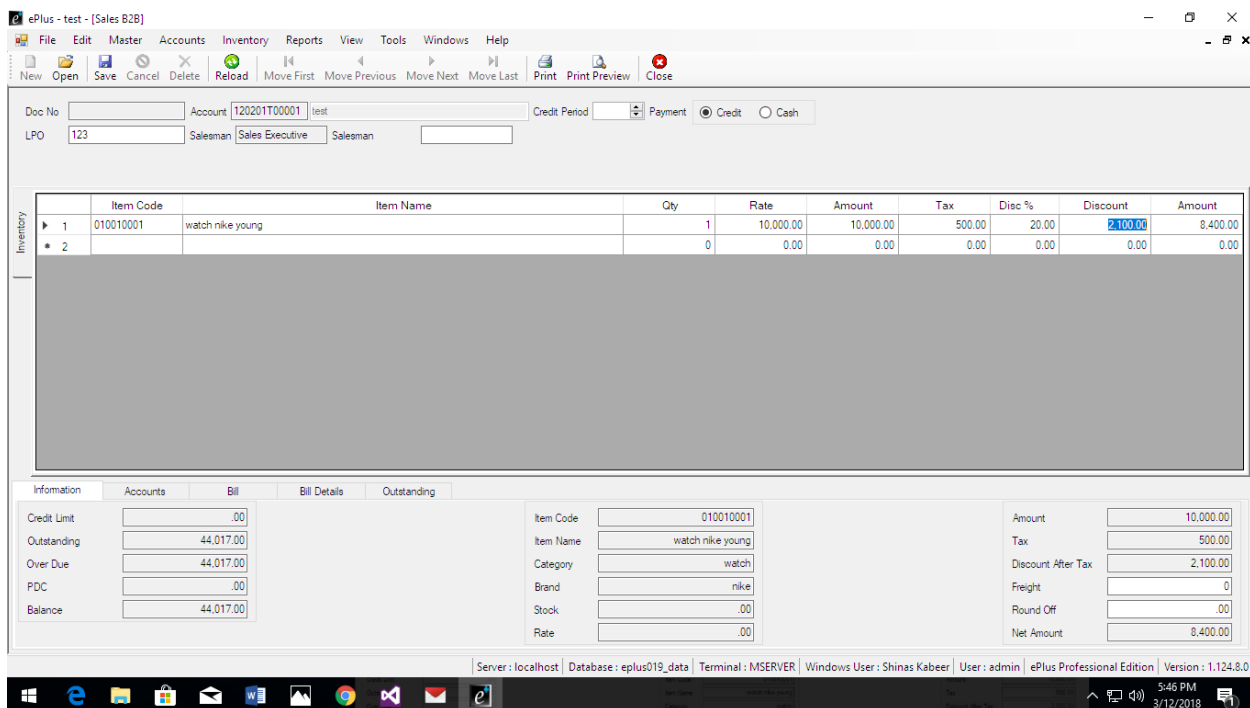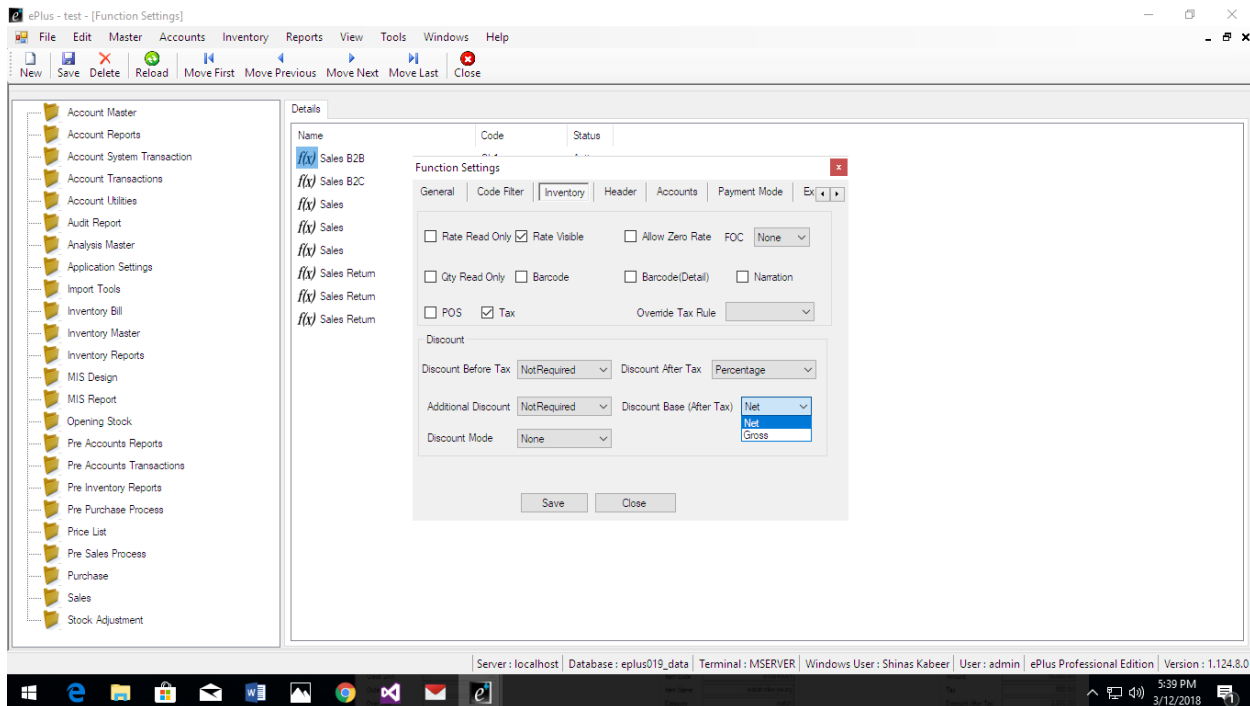| Qty	FOC	Rate	Amount	Tax	Discount	Amount
5	1	100	500	25	0	525

5 items has sold and one for free, but includes only 5 item's tax.

NET DISCOUNT

1. Tools-> settings-> functional setting-> sales-> salesB2B->right click-> edit->select inventory->
   Discount base:- select 'net' from the drop down list
   Discount after tax:-select 'percentage' from the drop down list

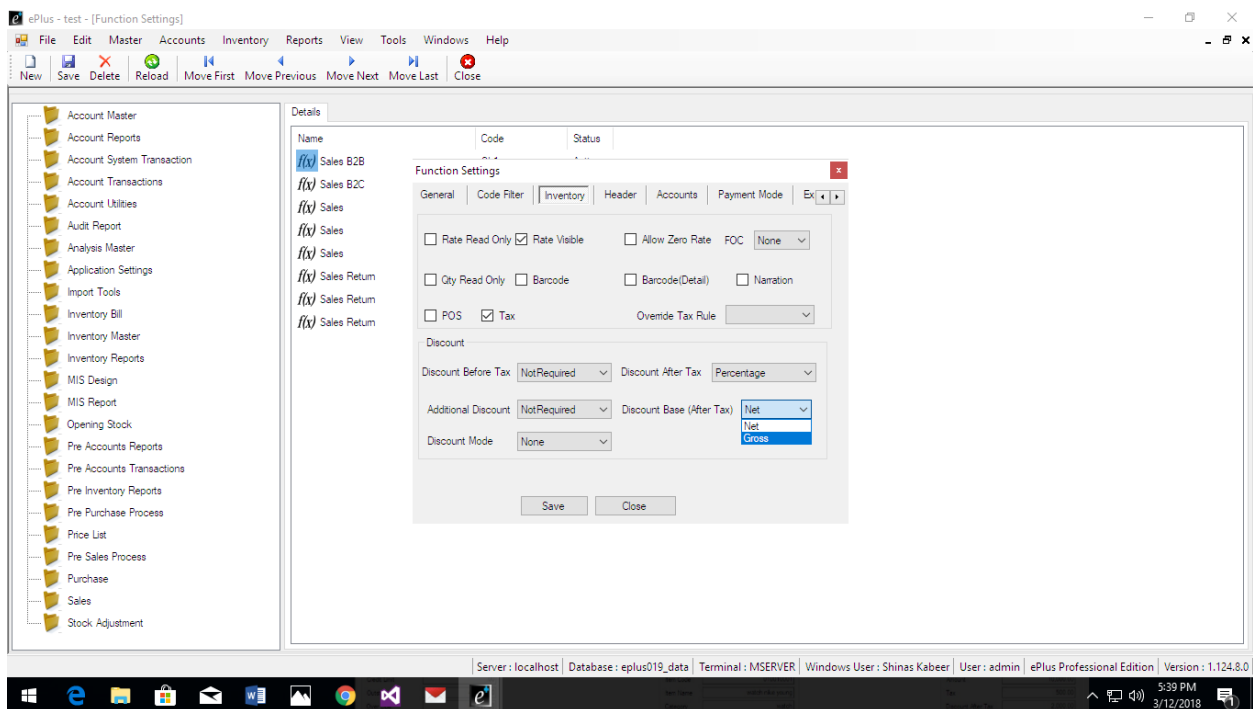| Qty	Rate	Amount	Tax	Disc%	Discount	Amount
1	10000	10000	500	20	2100	8400

Here,

Discount is calculated from item's total amount <u>with</u> tax (amount + tax).

GROSS DISCOUNT

1. Tools-> settings-> functional setting-> sales-> salesB2B->right click-> edit->select inventory->
Discount base:- select 'Gross' from the drop down list
Discount after tax:-select 'percentage' from the drop down list

Qty	Rate	Amount	Tax	Disc%	Discount	Amount
1	10000	10000	500	20	2000	8500

Here,

Discount is calculated from item's total amount <u>without</u> tax (amount).