**Definition of Terms**

Discount band: A discount band is a value-setting method in which a seller indicates an upper and lower discount limit, between which buyers enjoy.

COGS (cost of goods sold): Cost of goods sold (COGS) refers to the direct costs of producing the goods sold by a company. This amount includes the cost of the materials and labor directly used to create the good.

Gross price: Gross price is the price of any goods and service before any cash discount is considered.