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PROFIT AND LOSS

Cost Price: $80

Question 1: Example

Mariah bought a watch in the market and decided to sell it. June bought the watch from her for $120 (that is the selling price of the watch).

The price at which the watch was bought is the **cost price.** The price at which the watch was sold is the **selling price**. If the selling price of the item is more than the cost price, the seller earned a profit. If the seller sells the item for less than paid for, the seller lost money on the deal and so incurred a loss.

Mariah sold her watch for more than what she bought it for. Therefore, she earned extra money on this deal, and so earned a a profit. In other words, she sold the watch at a profit or a gain.

Here is how to calculate the dollar value of the profit or gain = Selling price (S.P) – Cost price (C.P).

Profit of the watch = $120 – $80 = $40

Mariah gained $40 when she sold the watch.

You must have heard people say, I want a 20% profit on this sale, and so on. Mariah can also calculate her gain in the form of a percent. Now, this is how you calculate the percentage of the profit or gain.

Percentage of Profit or Gain = Gain/C.P x 100

Profit % = 40/80 x 100 = 50%

Note: Profit percentage means that the selling price on the watch is 150%.

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If you did not know how much Mariah earned and you were told she earned 50% profit. You can calculate the money value of the item she sold.

Selling Price of watch= 150/100 x 80 = **$120**

Cost Price: $250

Question 2: Example

Johnny bought a scooter last year and now wants to sell it to get a newer one. His friend Mark bought the scooter from him for $210.

You should notice immediately that Johnny did not sell the scooter for more than what he paid for it. In other words, he incurred a loss. (Johnny had the scooter for some time, used it, and he is okay with how much he got for it. So don't fret about that).

The price at which the scooter was bought is the cost price ($250). The price at which the scooter was sold is the selling price ($210). The selling price is less than the cost price, so the scooter was sold at a loss.

To calculate the dollar value of the loss = C.P – S.P

Loss = $250 – $210 = $40 (Loss on scooter)

Loss % = 40/250 x 100 = 16% (Johnny incurred a 16% loss on the scooter).

Note: Loss percentage means that Jonny got only 84% back on the scooter. (100 – 16 = 84%)

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Also, if you did not know how much Johnny got on scooter, but you were told he lost 16%. You can calculate the money value of the item he sold.

Selling Price of scooter = 84/100 x 250 = **$210**

EXERCISES

1. Calculate the profit and profit percent?

C.P = $12.00	S.P = $15.00

Answer = ______________________

2. At what price should Sandra sell her car for which she paid $25,000, to make a profit of 15%?

Answer = _______________

3. Jocelyn bought 3 bags a total of $75 (each costing the same). They were all sold at different prices.

a. Calculate the profit or loss on each bag.

b. Calculate the profit or loss percent for each of the bags.

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Bag #1 -S.P $35.00	Bag #2 -S.P $40.00	Bag #3 – S.P $20.00

Approximate your answers to the hundredth.

CP of bags = $___________

Bag	$ (Profit /Loss)	Profit/Loss %
#1		
#2		
#3		

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4. An appliance dealer bought a stove for $3500. The stove got a bit damaged during shipment so the dealer sold it at a loss of 25%. At what price was it sold?

Answer = The appliance dealer sold it for $______________

5.

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5. Matthew, a fruit seller, bought apples $200 per crate of 100 apples.

a) At what price must she sell each apple to make a 40% profit?

Answer = Selling price for each apple is $_____________

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b) 12 apples were unsold, so Matthew decided to sell the apples at $1.50 each. Calculate the gain or loss in dollars and gain or loss percent of the sale of these apples. Approximate your number to the nearest whole number.

Answer = _____________________

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c) Narissa sold bracelets at $30.00 each at a profit of 20%.

a) What was the cost of each bracelet?

Answer = _______________

b) What is Narissa's profit if she sold 20 bracelets?

Answer = ___________________________