

You have the responsibility of calculating the net worth of purchases that have been made for your sporting goods store by one of your sales managers.

a	b	c	d	e	f	g	h	i	j
Item	Wholesale Price	Markup Percent	Retail price	Number Ordered	Total Cost of Purchase (minus)	Number Sold	Total revenue from Sales (plus)	GST and PST (10% Or 0.10)	Profit or Loss
Diamond Archery Cross Bow	\$239.00	39%	\$332.21	12	\$2868.00	7	\$2325.47	\$232.54	-\$542.53
Collective Sizzler Longboard	\$129.00	36%		20		16			
Rollerblades	\$79.00	42%		25		20			
Fatty Snow Boards	\$269.00	18%		20		16			
Blend Powder Skis	\$469.00	20%		15		8			
Lightning Ascent Snowshoes	\$269.00	22%		10		6			
Surly Cross Check Bike	\$835.00	35%		6		4			
Spyder Electra Paintball Gun	\$189.00	21%		12		8			
Ocun Tech Helmet – Rock Climbing	\$39.00	40%		9		5			
TaylorMade Burner Irons	\$509.00	43%		14		11			

Totals

Required Formula: (Example provided from monitor item from above)

- a) Retail Price = (Wholesale Price) x (Markup Percent – as a decimal) + (Wholesale Price) =  
 $239.00 \times 0.39 + 239.00 = 93.21 + 239.00 = 332.21$
- b) or Retail Price = (Wholesale Price) x (100% + Markup Percent) = (Wholesale Price) x (new percent – as a decimal) =  
 $239.00 \times (100\% + 39\%) = 239.00 \times 1.39 = 332.21$
- c) Total Cost of Purchase = (Wholesale Price) x (Number ordered) =  $239.00 \times 12 = 2868.00$
- d) Total Revenue from Sales = (Retail Price) x (Number Sold) =  $332.21 \times 7 = 2325.47$
- e) GST/PST = (Total Revenue from Sales) x 0.10 =  $2325.47 \times 0.10 = 232.54$
- f) Profit or Loss = (Total Revenue from Sales) – (Total Cost of Purchase) =  $2325.47 - 2868.00 = -542.53$

When calculating Retail Price using the second method, the part which requires an addition of percents (100% + Markup Percent) is an activity that basically requires mental math and then moving the decimal two places to the left and removing the percent sign.

$$(100\% + 65\%) = 165\% = 1.65 \quad (100\% + 18\%) = 118\% = 1.18$$

Based on purchases and sales a conclusion can be reached on whether the items sales are starting to generate a profit or because of lack of sales still represent an expense (loss).

- a) If the difference between Total Revenue from Sales and Total Cost of Purchase is a positive value sales are generating a profit.
- b) If the difference between Total Revenue from Sales and Total Cost of Purchase is a negative value sales have not started generating a profit; therefore, the item is generating a loss.

GST/PST collected is not considered a profit or a loss because the retail seller must collect this money from sales and then submit the collected amount to the government.