



Are you on your way to becoming one of Africa's tycoons? Then you'll need to know all about calculating profit and loss.

Profit = the amount earned on a sold item in relation to the amount you spent to buy or produce it. Loss = the amount lost on a sold item in relation to the amount you spent to buy or produce it.

You want to make a profit on items, not a loss! So let's practise below.

### EXAMPLE

If you bought juice for K12 and sold it for K16, you'd make a K4 profit. On the other hand, if you sold it for K10 instead, you'd make a loss of K2.

## **EXERCISE 1:**

Using what you've learned above, if you bought a bottle of shampoo for K35 and sold it for K45, you'd make K\_\_\_\_ profit. On the other hand, if you sold it for K26 instead, you'd make a loss of K\_\_\_\_.

**EXERCISE 2:** Calculate whether it's a profit or a loss in the columns below.

ltem	Cost Price	Selling Price	Profit?	Loss?
	K25	K35		
	K12	K8		
	K10	K15		
	K15	K23		

\*Please note all of the prices indicated in this worksheet are for exercise purposes only and do not reflect the actual retail price of products.



**EXERCISE 3:** 

Fill in the appropriate blanks below using the calculations you've learned.

Item	Cost Price	Selling Price	Profit?	Loss?
Ī	K15		К8	
	K25	K22		
	K12		К9	
	K17			K2
		K19	К9	
	K30			К8
	K15		K5	
		K29	К8	
	K18			К2
	K17	K21		

\*Please note all of the prices indicated in this worksheet are for exercise purposes only and do not reflect the actual retail price of products.

### **COST, PRICING & DISCOUNTING**

#### **BECOME AN ENTREPRENEUR**

Are you on your way to becoming one of Africa's tycoons? Then you'll need to know all about calculating your stock's cost, selling price and discounting. It's easier than you think!

Stock Cost = the amount an item costs to buy or produce. Selling Price = the amount that you sell the item for in order to make a profit. Discount = the amount you remove from the stock's selling price for promotions.

Learn how to add a profit amount to your stock cost in order to arrive at a selling price. If you want to encourage promotions or reward loyal customers, you'll also need to know how to discount. So let's practise below!

# **EXERCISE 1:** CALCULATE THE COST OF YOUR INGREDIENTS

Imagine you're making sandwiches to sell to your school friends. Firstly, you'll need to research what the prices are for the ingredients you'll need.

1 x Margarine 1kg	1 x Bread Loaf	1 x Tomato Sauce	Sausages
	(20 slices)	700ml	12 Per Pack
к	К	К	К

## **EXERCISE 2:**

## **CALCULATE HOW MANY SANDWICHES YOU NEED TO MAKE**

Now calculate how many sandwiches you can make and sell to your friends with the above ingredients in the table of amounts below. Assume a 1kg margarine, 700ml tomato sauce, 3 bread loaves and 3 sausage packs will give you 30 sandwiches to sell. If you want to make more sandwiches, you need to multiply your ingredients. Try it for yourself here:

QTY. OF SANDWICHES	30	60	90	120
Margarine 1kg	1 Tub	2 Tubs	3 Tubs	4 Tubs
Bread Loaf	3 Loaves (60 slices)	6 Loaves (120 slices)		
Tomato Sauce 700ml	1 Bottle	2 Bottles		
Sausages 12 Per Pack	3 Packs	6 Packs		



# EXERCISE 3: CALCULATE YOUR COSTS

Fill in the blanks below using the data you've calculated above and calculate your cost.

Ingredient	Cost Price	Quantity	Unit	Total
Margarine 1kg				
Bread Loaf				
Tomato Sauce 700ml				
Sausages 12 Per Pack				
	GRAND TOTAL			

Now, if 1 tub of 1kg margarine makes 30 sandwiches and you're using 3 tubs, how many sandwiches will you make?

How much does each sandwich cost to make? \_

Hint: [grand total of expenses] divided by [total number of sandwiches made]

Take the cost per sandwich and multiply it by 2. What is the resulting rand amount? \_\_\_\_\_\_

How much profit will you make if you charge twice the cost of making one sandwich? \_\_\_\_

Hint: [sale price per sandwich] minus [cost per sandwich] multiply [total number of sandwiches made] = profit margin

# EXERCISE 4: CALCULATE YOUR DISCOUNT

Now it's time to flex your discounting skills. This is the [regular sale price per sandwich] minus [percentage you want to reduce the price by] = [new sale price per sandwich].

Pretend that you've got sandwiches already made and need to sell them before they expire, but no one is buying them for your current selling price of K25. If you offer a flash sale at a discount of 25%, what is your new selling price?

Hint 1: [cost per sandwich] multiplied by [discount decibel i.e. 25% is 0,25] = [discount total] Hint 2: [cost per sandwich] minus [above discount total] = DISCOUNT SELLING PRICE

GOLD STAR! Now you can calculate cost, selling price, profit and even discounts like a Little Shop boss!