

Costing Calculations

Assessment Task

Calculating sales price, cost of sales, mark-up and profit (Individual activity) (LO3 AS3)

Make use of the formulas below to do the calculations that follow.

$$\text{Profit} = \text{sales} - \text{cost of sales}$$

$$\text{Sales} = \text{cost of sales} + \text{profit}$$

$$\text{Cost of sales} = \text{sales} \times \frac{100}{\text{Mark-up percentage plus } 100}$$

- a) Barry buys a car at R15 000 and sells it to Tom for R22 500. How much profit did he make? [2 marks]
- b) What percentage profit did Barry make in the transaction in a) above? [2 marks]
- c) Precious has a 30% mark-up on her vegetables. She buys oranges for R10 a pocket at the Johannesburg Fresh Produce Market. For how much does she sell it? [2 marks]
- d) The hardware store sells their paint at a mark-up of 60%. What do they buy it for if they charge R500 for a 25-litre drum? [2 marks]

