

Important Formulas Of Profit and Loss

Profit and Loss Formula

Profit Formula

A gain in the transaction occurs when the selling price of an item is above its cost price. Profit and profit percentage are calculated using the following formulas:

$$\text{Profit} = \text{Selling Price} - \text{Cost Price.}$$

$$\text{Profit percentage (P\%)} = (\text{Profit} / \text{Cost Price}) \times 100$$

Loss Formula

Loss occurs in the transaction if the selling price of an item is less than the cost price. The loss and loss percentage are calculated using the following basic formulas:

$$\text{Loss} = \text{Cost Price} - \text{Selling Price}$$

$$\text{Loss percentage (L\%)} = (\text{Loss} / \text{Cost price}) \times 100$$

Discount Formula

As we know earlier, a Discount is always calculated on the Marked price or MRP. The formulas for determining the Discount and Discount Percentage of an article are

$$\text{Discount} = \text{Marked Price} - \text{Selling Price}$$

$$\text{Discount Percentage} = (\text{Discount}/\text{Marked price}) \times 100$$

Profit and Loss Formula and tricks

We have learned how to determine profit, loss, and their percentages. Let's now explore some short tricks or formulas for resolving mathematical problems based on profit and loss.

- Profit = SP – CP
- Loss = CP – SP
- Profit (%) = {Profit/CP} × 100
- Loss (%) = {Loss/CP} × 100
- Discount = Marked Price – Selling Price
- Discount (%) = (Discount/MP) × 100
- SP = [(100+ Gain%)/ 100]x CP
- SP = [(100- Loss%)/ 100]x CP
- CP = [100/ (100+ Gain%)]x SP
- CP = [100/ (100- Loss%)]x SP
- The real price cost price of a product will be $[100 \times 100 \times P / (100+m)(100+n)]$ if it is first sold at m% profit and then again at n% profit. CP = $[100 \times 100 \times L / (100-m)(100-n)]$ in the event of a loss.
- If P% and L% are equal, then P = L and %loss = $P^2/100$