CHECKLIST 8

1. A retailer is planning to buy 400 units of our product at a cost of $1140, and he expects to sell the total stock for $1400. However, a competitor offers 400 units of their product to the retailer at a cost of $960, and convinces the retailer he can obtain a 25% mark up. Please complete the table:

2. Which deal is better for the retailer?
Hint: Remember 25% mark up = 20% margin

3. If you were the competitor in the case above, on what basis would you convince the retailer to accept your deal?

4-8. Please complete the table

	RETAIL PRICE	$/Unit	10.00
	MONTHLY VOLUME	Units	8.00
	MONTHLY SALES	$	80.00
	COST	$/Unit	8.00
	MONTHLY COGS	$	64.00
	AV SOH	Units	16.00
	AV SOH	$ at Cost	128.00
	AV SOH	$ at Retail	160.00
	MONTHLY GP	$	16.00
Question 4	MARGIN	%	
Question 5	MARK-UP	%	
	SPACE	m^2	1.00
Question 6	ANNUAL STOCK TURN	$ Cost method	
Question 7	GMROI	GP$/$ inv cost	
Question 8	GMROS	GP$/$m^2$	

9. What are “comps” sales?

10. When calculating GMROI, do we include GST?