

Unit costing

Unit costing calculates the cost of sales and the sales revenues for one single selling unit. For this, the percentage surcharges are needed.

Task 2

Skirty Plc trades in skirts. Cost of materials is £30. What will be the gross selling price for each skirt if there is a regular discount of 10% and a cash discount of 2%? Think of the valued-added tax (VAT) too, which is 8.1%. Calculate by completing the following table (all in £).

	Cost of materials	30.00	100%	_____
+		15.00		_____
=	Cost of sales	45.00		100%
+		4.50	_____	
=	Sales price	49.50	98%	
+	Cash discount			_____
=	Net selling price (Invoice price)	50.51	100%	90%
+	Discount	5.61	_____	
=	Gross selling price excl. VAT	56.12	_____	100%
+			_____	
=	Gross selling price incl. VAT		_____	