# Profit and Loss Formula For Bank Exams

## What are Profit and Loss?

**Profit:-** When a person sells a product at a higher rate than the cost price is called profit.

Profit = Selling Price - Cost Price

**Loss:-** When a person sells a product lesser than the cost price is called loss.

Loss = Cost Price - Selling Price

## Profit and Loss Basic Concepts

**Cost Price (CP)**: A person purchased a product at some price is called the cost price. For example Arun purchased a pen at 50 rs. Here 50 rs is a cost price. Cost Price is denoted by CP

**Selling Price (SP):** The amount for which the product is sold is called the Selling Price. It is usually denoted as SP. Also, sometimes called a sale price.

**Marked Price (MP):** The price which is marked on product or commodity is known as marked price. It is also known as tag price. If there is no discount on a particular product or commodity the selling price is equal to the marked price.

**Mark up:** The cost price is increased to reach the market price is called the mark up.
Mark up = Market Price - Cost Price.

**Discount:** The reduction of amount offered by a merchant on a marked price is called discount.

**Successive Discount:** if a product or commodity is sold at two discounts then it is said that it is sold after two successive discounts.

**Dishonest Dealing:** In this dishonest dealing a person sells a product at the wrong weight and earns a profit. Dishonest dealing can be either false weight or false reading.

- A shopkeeper insists to sell a wheat flour at a cost price but uses a false weight of 900 gm instead of 1000gm

## Profit and Loss Formula For Bank Exams

- Profit or gain = Selling price – Cost Price
- Loss = Cost Price – Selling Price
- Selling Price for profit = SP = ( ( 100 + Profit % ) / 100 ) X CP
- Selling Price for loss = SP = ( ( 100 - Loss % ) / 100 ) X CP
- Cost Price for Profit CP = ( 100 / ( 100 + Profit % ) ) X SP
- Cost Price for Loss CP = ( 100 / ( 100 - Loss % ) X SP
- Discount D = Marked Price (MP) - Selling Price (SP)
- Profit Percentage % = ( Profit / Cost Price ) X 100
- Loss Percentage % = ( Loss / Cost Price ) X 100
- Discount Percentage % = ( Discount / Marked Price ) X 100
- Mark up % = ( Mark up / Cost Price ) X 100
- For false weight, the profit percentage can be calculated by the formula, Gain % = ( Error / True Value - Error ) X 100 %