**2.11: Marketing Math Name:\_\_\_\_\_\_\_\_\_\_\_**

**Review**

Types of Retails Sales Transactions:

* Cash Sale, Check sale, Credit Card, Debit Card, Lay-a-way (Will Call), Cash On Deliver (COD), On Approval Sale

Retails Sales are also affected by:

* Shipping Charges, sales tax, exchanges, returns, & allowances

Cashiers need to know how to:

* Set up cash drawer and correctly count change back to customer

**Directions: Complete the sections below by taking on notes on the concepts presented for each section.**

**Types of Charges & Discounts Associated with Purchases**

**When a business creates a Purchase Order; what are they doing?**

**When a business receives an invoice what information is included?**

**What does 2/10; net 30 mean on an invoice that totals $100.00?**

**Given the above terms; what is the discount if paid within the first 10 days? $\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**If the company pays off the invoice 15 days after receiving it; how much is owed? $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Shipping & Sales Tax Calculations**

**Your store ships products worldwide from one fulfillment center.You must collect a 15% sales tax on orders shipped to geographical zone A and a 7% sales tax on orders shipped to geographical zone B. You do not need to collect sales tax for orders shipped to other regions in the world.The following tables summarize the taxes that must be collected:**

**For shipments to addresses in geographical zone A, shipping charges are $15, while shipping charges are $10 for shipments to addresses in geographical zone B. The rest of the world is subject to $25 shipping charges.**

|  |  |
| --- | --- |
| **Shipping Rates** | |
| **Geographical Zone** | **Shipping Rate** |
| A | $15 |
| B | $10 |
| Rest of World | $25 |

|  |  |
| --- | --- |
| **Sales Tax Rates** | |
| **Geographical Zone** | **Tax Rate** |
| **A** | **15%** |
| **B** | **7%** |
| **Rest of World** | **0%** |

**Using the chart above; a customer buys a piece of art online for $500.00. They live in Geographical Zone A. What is their Tax Rate? Their Shipping Rate? Total Cost of Painting?**

A customer purchased living room furniture that retails for $750.00 at 33% off. The sales tax rate is 5% and delivery is $25.00. What is the total cost of the furniture?

**Delivery Terms**

**Delivery terms are all variations of Free On Board (F.O.B.) and are negotiated between the buyer and the seller.**

**F.O.B.** stands for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**F.O.B**. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ – The ownership remains with seller until goods reach their destination. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**F.O.B. shipping point** – The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and is responsible for transit damages.

**F.O.B. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ prepaid** – The goods become the buyer’s property, but the seller pays for shipping.

**F.O.B. destination charges \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** – The buyer pays but if goods are lost or damaged in transit, the buyer’s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Dan’s Farm Supply orders 100 cases of pig feed from Perry’s Pigs. Perry’s agrees to pay for the shipping of the feed and Dan’s Farm Supply agrees to take ownership/responsibility for the product prior to it being shipped.**

**What type of delivery terms were agreed upon? *(circle the correct response)***

**F.O.B. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_:** Destination Shipping Point Factory Freight Destination Charges Reversed

**Points to Ponder….**

**How do charges and discounts affect the price of purchases?**

**How does technology speed up calculations of charges and discounts?**

**What is the impact of incorrectly calculating charges/discounts?**

**What is a special order & How does it affect a retailers?**