Profit & Loss

Cost Price-The price at which an article is purchased is called its cost price (C.P.)
Selling Price-The price at which the article is sold is called its selling price (S.P.)

CP = Cost Price = The price at which an object is Purchased
SP = Selling Price = The price at which the object is Sold.
When SP < CP → Loss = CP - SP
When SP > CP → Profit = SP - CP
Note: Loss% and Profit% both are calculated upon CP
Profit% = [Profit/CP] * 100
Loss% = [Loss/CP] * 100

Suppose **Company A produces 1000 T.V in Year 2000 And 1200 T.V in Year 2001. On the other hand Company B produces 5000 T.V in year 2000 and 5500 T.V in year 2001. Which company has the better growth rate ?**
Now Look at company A, The increase is of 200 T.V and Company B the increase if of 500 T.V So in Numerical Sense Company B has Produced more than A.
But we are not talking here about Numerical Growth We are talking about relative Growth. i.e Growth with respect to it's previous year production. [Like things are compared with like thing Only, Just Like you can't compare Apple and Oranges]
Taking That Point Into Consideration The Growth of Company A with respect to it's Previous year production will be (200/1000)*100 = 20%
And that for company B it will be (500/5000)*100 = 10%
So clearly Company A has a better growth rate than company B.

Cost Price aka CP
In my methods I Consider CP to be an Absolute Value of 100%. So if anybody Says he made profit of 20% it means He sells the Object at 120% or C.P 100% and Profit is 20% then it means SP = 1.2x(It will be more clear to you when i will explain Different Case)
Profit or Loss both are calculated with respect to C.P i.e CP is Always used as a base while calculating profit and loss.

Selling Price aka SP
I think by Common Sense you all know that If SP>CP then you will have profit whose value will be (SP - CP) In terms Of numerical Value.
And Profit % will be [(SP-CP)/CP] * 100 or [(Profit/CP)*100] [remember i told you that profit and loss both are calculated on CP i.e taking CP as Base, So all you have to do is calculate Profit in terms of numerical value(SP - CP) and then divide it by the base(CP) and then multiply it by 100 and you will get your profit %]
Eg. **CP of a pen is 10 Rs and SP is 12 Rs. What is profit and profit % ?**
Pretty easy Huh !! Just calculate profit first So it will be SP - CP = 12-10 = 2RS

And profit % [(SP-CP)/CP]*100 = [(12-10)/10]*100 = [(2/10)*100] = 20%
So now I think The difference between profit and profit % is clear to you.

Now If you know What is Profit then you all must know That what is Loss and when loss Occurs.
Loss occurs when we make some pretty bad decisions and We go out Nuts and Start selling The object at a rate less than the purchasing price of the object.
Lets Put that in Mathematical Way. **If CP>SP then there is a case of loss. to Find out the amount of loss all you have to do is (CP - SP)**
And to calculate Loss% nothing difficult just the usual stuff [(CP-SP)/CP*100] or [(Loss)/CP*100]
[Look again I told you both Loss and profit are calculated taking CP as Base. So what i have done in the formula is That i calculated Numerical Loss and then divided it by our BASE i.e CP and Then Multiplies it by 100 To get our Loss%]
And i don't think I have to explain again the difference between loss and Loss %.
So now Moving On to Other basic Stuff.

Marked Price aka MP= The Price at which a Product is Marked[Like when you go to Your Local Market for buying Some nice Sunglasses(I mean fake RAY BAN's ;)) And the Dealer say the cost is 1000rs and It's Also Marked on the Box but as we all know that it's just a MARKED PRICE and he will eventually sell that Ray Ban to you at 200Rs, And well if you are good at Bargaining then he will even sell it you at 100RS, And If It's me He will give it ME for free and even pay me 50RS back :P Well just Joking :P So that is our Marked Price]

Discount % = It's like concession on the MARKED PRICE. The dealer says I Am just giving You a discount Man You are a regular customer and blah blah blah And you are like my relative and all the BS(But here is the catch The Discount % is always calculated on M.P In the above example of RAY BAN if you want to calculate the Discount % then It's Easy The MP was 1000Rs he Finally Sells you that Ray Ban at 200 So discount Given = MP - SP i.e 1000-200 = 800rs
Now Discount % is calculated taking MP as BASE so Discount % will be
[(MP-SP)/MP]*100 = [(1000-200)/1000]*100 = 80%]

Discount is calculated on MP but Marking of MP is done with respect to CP.
For example if I say I bought Something for 500rs and I marked the Product 60% above the CP then It means I marked the product 60% of 500 = 300 above CP means 500+300 = 800rs. OK