

Pricing calculations

(10 points)



Mark-up rate – VAT – Card fees

A furniture company decides to specialize in children's rooms. He found a company in France that makes beautiful wooden bunk beds. The purchase price is 1'389 EUR incl. VAT. The VAT rate in France is 20%. The exchange rate is 0.97eur/chf. If we buy 50 units or more, the supplier gives us a 15% discount.

The transport costs are 40 CHF per unit and the customs fee is 80 CHF per unit.

The mark-up rate of operating expenses is 80%.

The net margin for these items is 20% of net revenue.

We allow customers to pay by card and we have 3% card fee.

We will do a promotion for the product; discount will be 25%.

At what price, before and after promotion, should the product be displayed?