

Pricing Template



There are 2 main types of methods used to calculate pricing.

- Mark Up
- Margin

Mark Up

Mark Up pricing is when you take the cost of a product and add certain amount to it to obtain the sell price.

For Example:

You buy a product for \$50 and you sell it for \$100 then you have applied a 100% markup to obtain the sell price.

Cost:	\$50.00
Mark Up % :	100.00%
Sell Price:	\$100.00

Margin

Margin pricing is the % of the selling price that is profit.

For Example:

You buy a product for \$50 and sell it for \$100 then that product has a 50% margin.

Cost:	\$50.00
Margin % :	50.00%
Sell Price:	\$100.00

Clients regularly get these two methods confused and it can have huge ramifications for the profitability of your business. As you can see from the below table there is a considerable difference between the 2 methods.

Mark Up	Margin
10%	9%
25%	20%
50%	33.33%
75%	42.86%
100%	50%
150%	60%
200%	66.67%

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