

How Price is computed based on different Pricing Methods

In the **Pricing tab**, as you select pricing method, Retail Price will automatically be computed.

1. **None**
 - a. Select None in the **Pricing Method field**.
 - b. Will update the **Retail Price field** with an amount equal to the Standard Cost.
2. **Fixed Dollar Amount**
 - a. Select Fixed Dollar Amount in the **Pricing Method field**.
 - b. Enter an amount in the **Amount/Percent field**.
 - c. Amount entered in the Amount/Percent field will be added to the Standard Cost. Result of that will be shown on **Retail Price field**.
3. **Markup Standard Cost**
 - a. Select Markup Standard Cost in the **Pricing Method field**.
 - b. Enter a percent in the **Amount/Percent field**.
 - c. Formula to compute for **Retail Price field** is Percent entered in the Percent field plus 100% multiplied by the Standard Cost.
Example:
 - i. 40% is entered
 - ii. Standard Cost is 10.00To compute for Retail Price field:
 $(40\% + 100\%) \times 10.00 = 14.00$
 $1.4 \times 10.00 = 14.00$
4. **Percent of Margin**
 - a. Select Percent of Margin in the **Pricing Method field**.
 - b. Enter a percent in the **Amount/Percent field**.
 - c. Formula to compute for **Retail Price field** is Standard Cost divided by 1 minus Percent entered
Example:
 - i. 40% is entered
 - ii. Standard Cost is 10.00To compute for Retail Price field:
 $10.00 / (100\% - 40\%) = 16.67$
 $10 / .6 = 16.67$

There are other Pricing Methods available in the Pricing Level tab, in addition to the ones above.

1. **Discount Retail Price**
 - a. Select Discount Retail Price in the **Pricing Method field**.
 - b. Enter a percent in the **Amount/Percent field**.
 - c. Formula to compute for **Unit Price field** is Retail Price - (Retail Price * Percent entered)
Example:
 - i. Retail Price is 14.00To compute for Unit Price field:
 $14.00 - (14.00 \times 2\%) = 13.72$
 $14.00 - 0.28 = 13.72$
2. **MSRP Discount**
 - a. Select MSRP Discount in the **Pricing Method field**.
 - b. Enter a percent in the **Amount/Percent field**.
 - c. Formula to compute for **Unit Price field** is MSRP - (MSRP * Percent entered)
Example:
 - i. MSRP is 16.00To compute for Unit Price field:
 $16.00 - (16.00 \times 2\%) = 15.68$
 $16.00 - 0.32 = 15.68$
3. **Percent of Margin (MSRP)**
 - a. Select Percent of Margin (MSRP) in the **Pricing Method field**.
 - b. Enter a percent in the **Amount/Percent field**.
 - c. Formula to compute for Unit Price field is [(MSRP - Standard Cost) x Percent] + Standard Cost
Example:
 - i. MSRP is 16.00
 - ii. Standard Cost is 10.00To compute for Unit Price field:
 $[(16.00 - 10.00) \times 40\%] + 10.00 = 12.40$
 $(6.00 \times .4) + 10 = 12.40$
 $2.40 + 10.00 = 12.40$