


Discount Impact on Profit Margin

Price Cut	<u>PRESENT GROSS PROFIT</u>					
	5.0%	10.0%	15.0%	20.0%	25.0%	30.0%
 1%	25.0%	11.1%	7.1%	5.3%	4.2%	3.4%
2%	66.6%	25.0%	15.4%	11.1%	8.7%	7.1%
3%	150.0%	42.8%	25.0%	17.6%	13.6%	11.1%
4%	400.0%	66.6%	36.4%	25.0%	19.0%	15.4%
5%	—.	100.0%	50.0%	33.3%	25.0%	20.0%
6%	—.	150.0%	66.7%	42.9%	31.6%	25.0%
7%	—.	233.3%	87.5%	53.8%	38.9%	30.4%
8%	—.	400.0%	114.3%	66.7%	47.1%	36.4%
9%	—.	1000.0%	150.0%	81.8%	56.3%	42.9%
10%	—.	—.	200.0%	100.0%	66.7%	50.0%
11%	—.	—.	275.0%	122.2%	78.6%	57.9%
12%	—.	—.	400.0%	150.0%	92.3%	66.7%
13%	—.	—.	650.0%	185.7%	108.3%	76.5%
14%	—.	—.	1400.0%	233.3%	127.3%	87.5%
15%	—.	—.	—.	300.0%	150.0%	100.0%
16%	—.	—.	—.	400.0%	177.8%	114.3%
17%	—.	—.	—.	566.7%	212.5%	130.8%
18%	—.	—.	—.	900.0%	257.1%	150.0%
19%	—.	—.	—.	1900.0%	316.7%	172.7%
20%	—.	—.	—.	—.	400.0%	200.0%
21%	—.	—.	—.	—.	525.0%	233.3%
22%	—.	—.	—.	—.	733.3%	275.0%
23%	—.	—.	—.	—.	1115.0%	328.6%
24%	—.	—.	—.	—.	2400.0%	400.0%
25%	—.	—.	—.	—.	—.	500.0%

Additional Sales Needed to Make up for Discount