**Drexel University • Westphal College of Media Arts and Design • Design and Merchandising**

DSMR 232 -001 4.0 credit • Retail Merchandising Planning (Winter 2023)

**Assignment B:** Calculating Individual and Cumulative Markups

When working with spreadsheets in previous chapters, you have simply input data onto spreadsheets that had been previously prepared. Once a spreadsheet has been constructed, it can be used over and over to perform repetitive mathematical calculations. Your task for this assignment is to construct a spreadsheet following specific instructions. In later chapters of the textbook, you will be asked to design spreadsheets without detailed instructions being presented, so be sure you understand each step.

## INDIVIDUAL MARKUP PERCENTAGES

**Creating and Using Your Own Spreadsheet**

1. Download and Open file SPREADSHEET B.
2. As indicated below, type all your titles first. Press Enter after typing each word.
   * In cell A1, type Calculating Markup Percentage. Adjust the width of the column as needed.
   * In cell A3, type Cost.
   * In cell A4, type Markup %.
   * In cell A5, type Retail.
3. Now, you are ready to enter the formula that will perform the calculation to find the markup percentage. Move to cell B4 and type the = sign. Then, type (B5 - B3)/B5, which corresponds to the formula for calculating markup percentage. Format the cell to show only two decimal places. Now, enter a cost of $6.00 and a retail price of $12.50. Your screen should look similar to the table that follows.

|  |  |
| --- | --- |
| Calculating Markup Percentage |  |
|  |  |
| Cost | $6.00 |
| Markup % | 52.0% |
| Retail | $12.50 |

1. Use this spreadsheet to calculate the markup percentages for the cost and retail figures presented in the problems that follow. Before entering any information in a cell, make sure that any previous entries have been erased. Record all your answers on the table.
2. When you have completed the assignment, save the file under the file name SPREADSHEET B\_COPY, and then close the file.

### Problem 1: Calculating Individual Markup Percentages

Using the spreadsheet within which you have been working, calculate the individual markup percentages for the following items and record them on the appropriate table at the end of this assignment.

Unit Cost Unit Retail

|  |  |  |
| --- | --- | --- |
| 1 | $6.00 | $12.50 |
| 2 | $19.55 | $38.79 |
| 3 | $25.00 | $55.00 |
| 4 | $15.50 | $38.00 |
| 5 | $17.50 | $48.00 |
| 6 | $28.00 | $48.00 |
| 7 | $10.90 | $21.50 |
| 8 | $6.75 | $13.00 |
| 9 | $4.00 | $8.00 |
| 10 | $4.50 | $9.75 |
| 11 | $15.00 | $35.00 |
| 12 | $16.50 | $21.75 |
| 13 | $39.73 | $68.50 |
| 14 | $40.00 | $58.00 |
| 15 | $6.00 | $7.80 |

## CUMULATIVE MARKUP PERCENTAGES

**Creating and Using Your Own Spreadsheet**

1. Now move to the other part of the spreadsheet presented on file SPREADSHEET B.
2. A sample problem from the text is presented below. On your spreadsheet, use these numbers to calculate the cumulative markup percentage.

At the start of a season, a buyer’s inventory of scarves had the following values: Total cost $3,000

Total retail $5,800

During the month, the following purchases were added to the inventory: 50 scarves, costing $20 each, to retail at $40 each

100 scarves, costing $10 each, to retail at $19 each

1. Because a formula has already been entered, the computer has calculated total cost, total retail, and the cumulative markup percentage. You can now determine cumulative markup percentage by using this spreadsheet for any situation involving a beginning inventory and one or two purchases.
2. Use the spreadsheet to calculate the cumulative markup percent for the problems presented below. Record your answers on the table provided.

### Problem 2: Calculating Cumulative Markup Percentage

1. The buyer of scarves in the sample problem wants to calculate the cumulative markup percentage at the time the first purchases were added to the beginning inventory. Calculate the cumulative markup percentage at that point.
2. Beginning inventory was $52,932 at cost and $106,342 at retail. Purchases for the period were

$11,764 at cost and $24,916 at retail. What was the cumulative markup percentage for the period?

1. A specialty store had a beginning inventory at cost of $196,853. At retail, the inventory was valued at $395,422. Two purchases were added to the inventory. At cost, they had a value of

$82,700 and $244,058, respectively. At retail, purchase 1 was valued at $137,282 and purchase 2 was valued at $398,682. What was the cumulative markup percentage for the period?

1. A buyer for sporting goods has an inventory at the beginning of the month of $30,000 at cost and

$45,000 at retail. New purchases during the month amounted to $20,000 at cost and $41,250 at retail. What is the cumulative markup percentage?

Assignment B: Calculating Individual and Cumulative Markups

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**Problem 1**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Unit Cost | Unit Retail | Individual Markup Percentage |
| 1 | $6.00 | $12.50 | 52.0% |
| 2 | $19.55 | $38.79 | 49.6% |
| 3 | $25.00 | $55.00 | 54.5% |
| 4 | $15.50 | $38.00 | 59.2% |
| 5 | $17.50 | $48.00 | 63.5% |
| 6 | $28.00 | $48.00 | 41.7% |
| 7 | $10.90 | $21.50 | 49.3% |
| 8 | $6.75 | $13.00 | 48.1% |
| 9 | $4.00 | $8.00 | 50.0% |
| 10 | $4.50 | $9.75 | 53.8% |
| 11 | $15.00 | $35.00 | 57.1% |
| 12 | $16.50 | $21.75 | 24.1% |
| 13 | $39.73 | $68.50 | 42.0% |
| 14 | $40.00 | $58.00 | 31.0% |
| 15 | $6.00 | $7.80 | 23.1 |

**Problem 2**

|  |  |  |  |
| --- | --- | --- | --- |
| Question #1 | Cost | Retail | Cumulative Markup Percentage |
| Beginning Inventory | $3,000 | $5,800 |  |
| Purchases | $2,000 | $3,900 |  |
| Totals | $5,000 | $9,700 | $0.48 |

|  |  |  |  |
| --- | --- | --- | --- |
| Question #2 | Cost | Retail | Cumulative Markup Percentage |
| Beginning Inventory | $52,932.00 | $106,853.00 |  |
| Purchases | $11,764.00 | $24,916.00 |  |
| Totals | $64,696.00 | $131,769.00 | $0.51 |

|  |  |  |  |
| --- | --- | --- | --- |
| Question #3 | Cost | Retail | Cumulative Markup Percentage |
| Beginning Inventory | $196,853 | $395,682 |  |
| Purchase 1 | $82,700 | $137,282 |  |
| Purchase 2 | $244,058 | $398,682 |  |
| Totals | $523,611.00 | $931,646.00 | $0.44 |

|  |  |  |  |
| --- | --- | --- | --- |
| Question #4 | Cost | Retail | Cumulative Markup Percentage |
| Beginning Inventory | $30,000 | $45,000 |  |
| Purchases | $20,000 | $41,250 |  |
| Totals | $50,000.00 | $86,250.00 | $0.42 |