



Exercise 4.2: Show Your Margins

You will outline your cost margins for various scenarios

- Review formulas in reading material
- Use Your COGS from Exercise 4.1
- Begin calculating your Gross Margin as a dollar amount
- Then, show your Gross Margin as a percentage.
- Can you fill in your MSRP? How did you determine this?
- It is important to consider if your sales channel has a general distributor margin or do you need to calculate an average shipping cost for direct to consumer.

WHOLESALE PRICE

$$\text{Price} = \frac{\text{Cost}}{(1 - \text{margin})}$$

COGS \$ _____

Gross Margin \$ _____ **%**

Distributor Price \$ _____

Wholesale Price \$ _____

MSRP \$ _____ How did you land on this amount? _____
