



Cost Price and Selling Price

Understanding the Topic

Cost Price (CP) is the amount paid to buy an item.

Selling Price (SP) is the amount received after selling the item.

- If $SP > CP$, there is Profit
- If $SP < CP$, there is Loss

Formulas to Remember

- Profit = $SP - CP$
- Loss = $CP - SP$

Important Points

- CP is always the buying price
- SP is always the selling price
- Units like ₹ (rupees) or ₹ / kg or ₹ / item are used.

Examples with Solutions

1. Example – Profit (Easy)

Question: CP = ₹50, SP = ₹70. Find the profit.

Solution: Profit = $70 - 50 = ₹20$

2. Example – Loss (Easy)

Question: CP = ₹80, SP = ₹60. Find the loss.

Solution: Loss = $80 - 60 = ₹20$

3. Example – No Profit No Loss (Easy)

Question: CP = ₹100, SP = ₹100. What is the result.

Solution: No profit, no loss

4. Example – Word Problem (Moderate)

Question: A shopkeeper buys a toy for ₹120 and sells it for ₹150. Find the profit.

Solution: Profit = $150 - 120 = ₹30$



5. Example – Word Problem on Loss (Moderate)

Question: A book is bought for ₹200 and sold for ₹175. Find the loss.

Solution: Loss = $200 - 175 = ₹25$

Summary Points

- CP is the amount used to buy an item.
- SP is the amount received after selling.
- If $SP > CP$, it's a profit.
- If $SP < CP$, it's a loss.
- Profit = $SP - CP$.
- Loss = $CP - SP$.
- Useful in shopping, business, and sales.
- Always use proper units like ₹.
- Read carefully to check if it's profit or loss.
- Practice helps in quick and correct answers.