

Key Terms

| Key Term | Definition |
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| Yield | Yield is a number of servings from a particular product (i.e. 8 pints in a gallon) |
| Gross Profit (GP) | Gross profit is the profit a company makes after deducting the costs associated with making and selling its products, or the costs associated with providing its services. This is often given as a percentage. |
| Cost of Sale (COS) | Cost of Sale refers to the direct costs of producing the goods sold by a company. This is often given as a percentage. |
| Stock Holding (Days) | Stock Holding is the value of goods, such as parts, materials, and finished products, that a company has available at a particular time. This can be calculated in order to calculate the number of days cover the business has in its inventory. This is calculated by conducting the following calculation: (Close Stock / Consumption) x days in the stock period |
| Surplus | A surplus describes the amount of an asset or resource that exceeds the portion that's actively utilised. A surplus can refer to a host of different items, including income, profits, capital, and goods. |
| Deficit | A deficit is an amount by which a resource, especially money, falls short of what is required. A deficit occurs when expenses exceed revenues, imports exceed exports, or liabilities exceed assets. A deficit is synonymous with shortfall or loss and is the opposite of a surplus |
| Delivery | Delivery is the receipt of goods following order, for example, a liquor stock order. |
| Allowance | An allowance is a monetary figure that compensates for a shortfall in revenue. An example of this is within cocktails. If a shot of Vodka has a retail price of £4.00 and a bottle of Tomato Juice is set at £2.50, but a Bloody Mary has a retail price of £5.00. The stock would be expecting £6.50 for this drink due to the retail prices of the ingredients. a £1.50 allowance is given to compensate for this shortfall. |
| Revenue | Revenue is the income that a business has from its normal business activities, usually from the sale of goods and services to customers. |
| Gross | Gross in a financial sense means an initial amount before any deductions, expenses, or withholdings. |

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| Net | Net income is the residual amount of earnings after all expenses have been deducted from sales. |
| Discount | Discount is a <i>deduction from the usual cost of something</i> |

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