

# Key Terms

Key Term	Definition
Yield	<b>Yield</b> is a number of servings from a particular product (i.e. 8 pints in a gallon)
Gross Profit (GP)	<b>Gross profit</b> 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)	<b>Cost of Sale</b> refers to the direct costs of producing the goods sold by a company. This is often given as a percentage.
Stock Holding (Days)	<b>Stock Holding</b> 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	<b>A surplus</b> 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	<b>A deficit</b> 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	<b>Delivery</b> is the receipt of goods following order, for example, a liquor stock order.
Allowance	<b>An allowance</b> 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	<b>Revenue</b> is the income that a business has from its normal business activities, usually from the sale of goods and services to customers.
Gross	<b>Gross</b> in a financial sense means an initial amount before any deductions, expenses, or withholdings.

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

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