



## Sample Costing Worksheet for Buyer

Item	Sub-Total	Total
<b>Manufacturing Costs</b> + Export packaging (depending on mode of transport) + Profit margin - Discounts/rebates/volume discounts/sales commission  = <b>Selling price ex works (EXW)</b> + Transport costs from plant to place of loading (train/truck)  = <b>Selling price free carrier (FCA)</b> + Transport costs from place of loading to shipping port + Unloading at harbour + Transport insurance to shipping port  = <b>Selling price free alongside ship (FAS)</b> + Storage costs, terminal handling charge (THC), loading onto ship + Costs for export clearance + Commission of port agent  = <b>Selling price free on board (FOB)</b> + Freight to port of destination  = <b>Selling price cost and freight (CFR)</b> + Insurance  = <b>Selling price cost, insurance, freight (CIF)</b> + Additional costs for full transport insurance  = <b>Price ex ship (DES)</b> + Costs of import clearance + Unloading, THC + Costs for documents (ie delivery order)  = <b>Selling price delivered ex-quay (DEQ)</b> + Land transport costs to nominated destination + Full transport to destination  = <b>Selling price delivered duty unpaid (DDU)</b> + Costs of customs duty  = <b>Price delivered duty paid (DDP)</b>		

### Important Notes and Considerations

- What will the market bear and what is the marketing strategy for the product?
- Bulk buying/increased buying due to increased sales.
- Increased efficiency of labour due to high-volume production.
- Possibility of reduction of export price if fixed overhead costs are already included and completely covered by domestic sales (marginal costing).
- Export incentive rebate.
- Agent's commission, finance cost, export credit insurance premium and profit margin should be included in Ex Works price.
- When quoting ex-works you will have to bear the costs for export packaging.

## Sample Cost-Plus Calculation for Product Cost

	<b>Domestic Sale</b>	<b>Export Sale</b>
Factory price	\$7.50	\$7.50
Domestic freight	\$0.70	\$0.70
sub-total	\$8.20	\$8.20
Export documentation		\$0.50
sub-total		\$8.70
Ocean freight and insurance		\$1.20
sub-total		\$9.90
Import duty (12% of landed cost)		\$1.19
sub-total		\$11.09
Wholesaler mark-up (15%)	\$1.23	
sub-total	\$9.43	
Importer/distributor mark-up (22%)		\$2.44
sub-total		\$13.53
Retail mark-up (50%)	\$4.72	\$6.77
Final consumer price	\$14.15	\$20.30

**Source:** Austrade Canada, Tradeport and Australian Business Limited