**Assignment 4.1 Christmas trees**Merel Weber expects to sell 600 Christmas trees for Christmas. The purchase price of a Christmas tree is €5.10 and Merel thinks she can sell the Christmas trees for €10 per piece.
a. Calculate the expected gross profit.
b. Calculate the gross profit as a percentage of the purchase price.
c. Calculate the gross profit as a percentage of the selling price.

On 20 December Merel has not sold all the Christmas trees yet. So it is high time to start selling the Christmas trees at a sizeable discount. Merel decides to reduce the gross profit on the Christmas trees. Merel will settle for a gross profit of 20% of the selling price.
d. Calculate the price for which Merel is going to sell the remaining Christmas trees.

**Assignment 4.2**In the past year Mark realised a gross profit of €36,000. The gross profit was 60% of the cost of sales.
Calculate Mark’s turnover in the past year.

**Assignment 4.3**In 2014 Lisa realised a gross profit of €48,000. The gross profit amounted to 40% of the turnover.
Calculate the cost of sales.

**Assignment 4.4 Marketing mix**

a. Ryanair, EasyJet and Transavia offer basic flight trips without free meals or drinks. Which instrument of the marketing mix does this decision relate to?

b. Which instrument of the marketing mix does the brand relate to?

c. Which instrument of the marketing mix does a loyalty card relate to?

d. At Christmas the number of purchases via the internet has risen sharply again. Which instrument of the marketing mix does this relate to?

**Assignment 4.5 SWOT analysis**

An entrepreneur draws up a SWOT analysis for his marketing plan. Which part of the SWOT analysis do the factors below belong to?

a. The staff is young and has little experience in the branch.

b. Due to trends among youngsters the product sold by this entrepreneur is gaining popularity.

c. The advertising made by the enterprise appeals to the target group.

d. In the past six months competitors have entered the market who sell a similar product.

**Computations**

**Assignment 4.1**

a. 600 × (10 – 5.10) = €2,940.
b. 4.90/5.10 × 100% = 96%.
c. 4.90/10 × 100% = 49%.
d. Selling price = 100%. The profit is 20% of the selling price. Then the purchase price is 80% = 5.10.
 Then the selling price is (5.10/80) × 100 = €6.375 rounded off to €6.38.

**Assignment 4.2**

The cost of sales is 100%, the gross profit is 60% and then the turnover is 160%.
The turnover is (36,000/60) × 100 = €96,000.

**Assignment 4.3**

The turnover is 100%, the gross profit 40% and the cost of sales 60%.
The cost of sales is (48,000/40) × 60 = €72,000.

**Assignment 4.4**

a. Product.

b. Product.

c. Promotion.

d. Place (distribution).

**Assignment 4.5**

a. Weakness.

b. Opportunity.

c. Strength.

d. Threat.