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Cash Discounts - EOM Dating

Ex: 6/10 EOM

6% discount if pd 10 day after EOM

Jun 13

July 10

+20

July 30

$$CD = NP \times CD\%$$

$$CP = NP - CD$$

Ex#1: July 12 4/10 EOM Total = 727.05

a) Aug 10

b) Aug 30

c)  $CD = 727.05 \times .04 = 29.08$

d)  $CP = 727.05 - 29.08 = 697.97$

e)  $CP = 727.05 \times .96 = 697.97$

Nov 7<sup>th</sup> 2/10 EOM \$7100

#

1. Dec 10<sup>th</sup>

2. Dec 30

3  $CD = 7100 \times .02 = 142$

4  $CP = 7100 - 142 = 6958$

5. 98%

6  $CP = 7100 \times .98 = 6958$

Extensions: 3/10 EOM

Jun 28 → July 1

Aug 10 to get 3%

Aug 30 Due

Ex#2 Nov 27<sup>th</sup> 2/10 EOM NP = \$8100

a) Jan 10<sup>th</sup>

b) Jan 30<sup>th</sup>

c)  $CP = 8100 \times .98 = 7938$

Feb 27 3/10 EOM \$2400

7) April 10<sup>th</sup>

8) April 30<sup>th</sup>

9)  $CP = 2400 \times .97 =$   

11 April 14<sup>th</sup> 3/15 EOM May 15 a) <sup>May 15 + 20</sup> June 4

12 Sept 2<sup>nd</sup> 4/10 EOM a) Oct 10<sup>th</sup> b) Oct 30<sup>th</sup>

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July 10  
+20  
July 30

$$\begin{aligned} CD &= NP \times CD\% \\ CP &= NP - CD \end{aligned}$$

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