

Graphic Communications

Basic Math and Measurement

Calculating Costs

Student Name _____ Date _____

Calculating Costs

Printing is an extremely competitive business. In order to succeed in the industry, the printing company must know precisely the cost of doing business. Many factors influence how much must be charged for a particular job. The printing company must pay for the building, equipment, materials, employee's salaries, and many other expenses.

The cost of producing a product is reflected in the price charged to the consumer. Since there are many printing companies from which the consumer can select, the printing company must calculate costs very carefully. The price should reflect all the costs and a profit, yet be competitive with the prices of other companies.

Estimators have the responsibility of understanding and making correct calculations. An estimator must know the graphic communications production processes as well as know the basic mathematical procedures.

Solve the following problems to calculate the cost of a printing job:

1. A printer estimates that running a small press costs \$25.00 per hour. The total cost of a job that took 1 1/2 hours or press time is \$650.00 How much of the cost of this job is unrelated to press time?

2. A printer estimates that each page of a booklet costs \$22.50 to produce. How much will a 64 page booklet cost to produce? _____

3. A printer uses two-sided plates which cost \$1.30 each. Seventy cents is added to the price of each plate to cover the cost of chemicals to process the plate. A job consisting of 32 flats is produced. What is the total cost for the plates for this job? _____

4. A skid of paper weighs 2,000 lbs. and the paper costs 40¢ per lb. How much is the skid worth?

5. A service technician comes to fix one of our machines, and they charge \$75 per hour. If they need five hours to fix the machine, how much will it cost us? _____