

## True Cost of Discounted Vendor Terms

#	Terms Offered	Translation	Calculation	Equivalent Cost
1.	1%-10, net 30	One percent discount granted if paid in 10 days; otherwise, due in 30 days.	$1\%/100\%-1\% \times 365\text{days}/30\text{days}-10 \text{ days}$ OR: $1\%/99\% \times 365/20$	18.4%
2.	2%-10, net 30	Two percent discount granted if paid in 10 days; otherwise, due in 30 days.	$2\%/100\%-2\% \times 365\text{days}/30\text{days}-10 \text{ days}$ OR: $2\%/98\% \times 365/20$	37.2%
3.	1%-10, net 60	One percent discount granted if paid in 10 days; otherwise, due in 60 days.	$1\%/100\%-1\% \times 365\text{days}/60\text{days}-10 \text{ days}$ OR: $1\%/99\% \times 365/50$	7.4%
4.	2%-10, net 60	Two percent discount granted if paid in 10 days; otherwise, due in 60 days.	$2\%/100\%-2\% \times 365\text{days}/60\text{days}-10 \text{ days}$ OR: $2\%/98\% \times 365/50$	14.9%
5.	1%-10, net 90	One percent discount granted if paid in 10 days; otherwise, due in 90 days.	$1\%/100\%-1\% \times 365\text{days}/90\text{days}-10 \text{ days}$ OR: $1\%/99\% \times 365/80$	4.6%
6.	2%-10, net 90	Two percent discount granted if paid in 10 days; otherwise, due in 90 days.	$2\%/100\%-2\% \times 365\text{days}/90\text{days}-10 \text{ days}$ OR: $2\%/98\% \times 365/80$	9.3%
7.	3%-10, net 60	Three percent discount granted if paid in 10 days; otherwise, due in 60 days.	$3\%/100\%-3\% \times 365\text{days}/60\text{days}-10 \text{ days}$ OR: $3\%/97\% \times 365/50$	22.6%
8.	3%-20, net 90	Three percent discount granted if paid in 20 days; otherwise, due in 90 days.	$3\%/100\%-3\% \times 365\text{days}/90\text{days}-20 \text{ days}$ OR: $3\%/97\% \times 365/70$	16.1%
9.	1.4%-prompt, n10	One & 4 tenths percent disc granted if paid in 1 day; otherwise, due in 10 days.	$1.4\%/100\%-1.4\% \times 365\text{days}/10\text{days}-1 \text{ day}$ OR: $1.4\%/98.6\% \times 365/9$	57.6%
10.	1.4%-prompt, n20	One & 4 tenths percent disc granted if paid in 1 day; otherwise, due in 20 days.	$1.4\%/100\%-1.4\% \times 365\text{days}/20\text{days}-1 \text{ day}$ OR: $1.4\%/98.6\% \times 365/19$	27.3%