

with a product of the required specifications at a price of \$41.72 (Cdn) ex plant — after quantity and cash discounts, and net of federal tax which does not apply on exports.

Naim in Trinidad already has an offer from the Danes at \$31.00 (US) \$43.09 (Cdn) c.i.f. Port of Spain. Mr. Kampouris first tries to get Mr. Naim to go higher. The answer is "No." Mr. Naim remains unimpressed by the superior quality of Canadian wheelbarrows; even if they are the world's best, he would still prefer to have his 600 wheelbarrows at \$31.00 (US), or even cheaper. In this particular case, the trader can either try to meet the buyer's conditions or let the deal drop. Mr. Kampouris decides to pursue the transaction.

**Export Costing**

At this stage, Mr. Kampouris calculates the c.i.f. price based on the manufacturer's offer and the direct exporting costs involved. The results (per wheelbarrow) of his computations are given below:

	Net f.o.b. ex plant (manufacturer's offer) -----	\$41.72
+	Direct Exporting Costs (DEC)	
	Inland freight	0.37
	Handling	
	Storage	
	Marking	
	Preparation and delivery containers	4.67
	Wharfage	
	Overseas freight	
	Interest	1.30
	Banking costs	0.12
	Insurance	0.30
	Total DEC -----	<u>6.76</u>
=	Total, c.i.f. before profit -----	48.48
+	Targeted profit -----	<u>3.39</u>
=	Total c.i.f., including targeted profit -----	\$51.87 (Cdn)