

Graduated Diploma
Accounting
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A Project Report to identify the ways to improve profit margins for the vape shop

The Vape Shop

Opportunity:

Airscram NZ Ltd wants to make more profit and open two chain stores under the Airscram brand in downtown Wellington.

PQ1. To identify ways to improve the company's profit margins on sales

PQ1. What are the ways to improve profit margins

literature Review:

1. Pricing strategy
2. Inventory management model (EOQ and JIT)
3. Cost management system (traditional and ABC system)
 - Product pricing is lower
 - Lack of inventory management system leads to out of stock and some of goods were placed too long
 - Excessive decoration and maintenance costs
 - Most of the money comes from investors

Methodology:

1. Quantitative research and quantitative research method (Mixed method research).
2. Primary data and secondary data collection

Only significant recommendations are:

1. To increase a moderate price rise
2. Purchase inventory management system software
3. Save decoration costs
4. Money borrowed from the bank to equalize the distribution of assets