



## HOW LANDING COST BY WEIGHT WORKS

### Overview:

Another option for computing the Landing Cost is 'By Weight'. Distribution of cost per Item purchased will be based on the mass/weight. The higher the weight, the higher the amount will be allocated. This method is commonly used for container transportation.

### Scenario:

Incorporate the Landed Cost in imported stocks and use weight as reference for allocating the total Landing Cost.

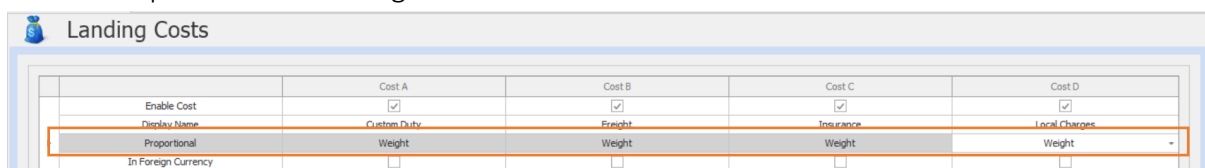
### Procedure:

Enable 'Landing Cost'.

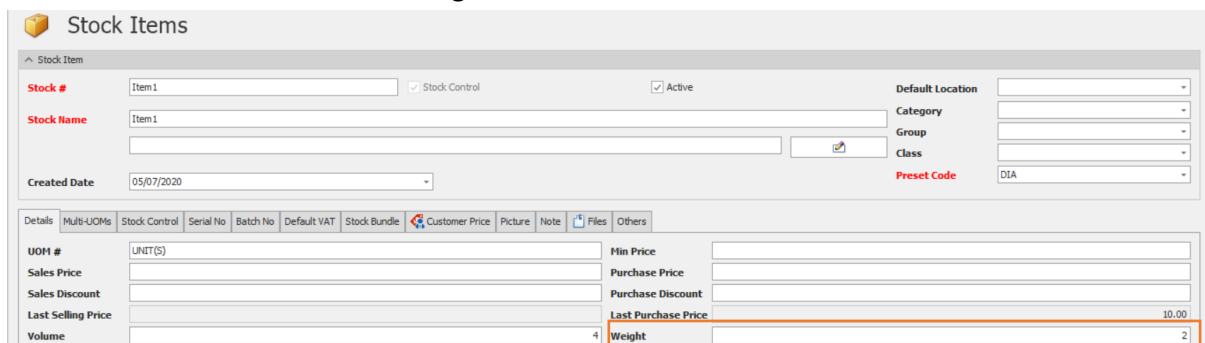
1. Go to Purchases > Landing Costs



Set the Proportional into 'Weight'.



Make sure that the Stocks has Weight to use this method.

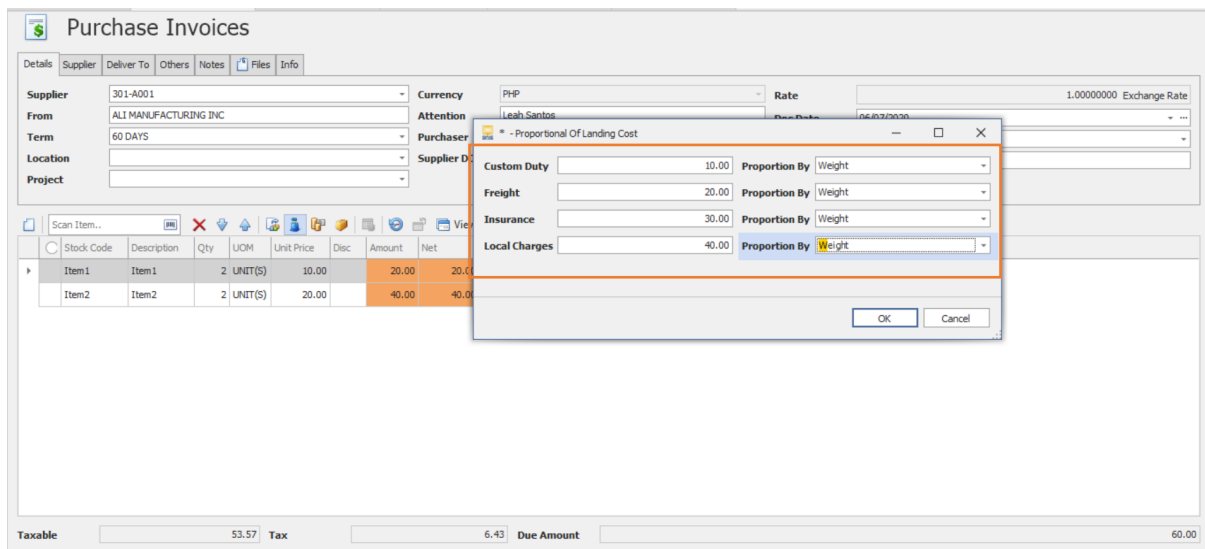


Item1 Weight: 2

Item2 Weight: 1

### Application:

Issue a Purchase Invoice and use the Landing cost Calculator as shown below. Input the value of the landing cost.



The screenshot shows the 'Purchase Invoices' window with a 'Landing Cost Calculator' dialog box open. The dialog box has the following fields:

Proportional Of Landing Cost	
Custom Duty	10.00
Freight	20.00
Insurance	30.00
Local Charges	40.00

The background window shows the following details:

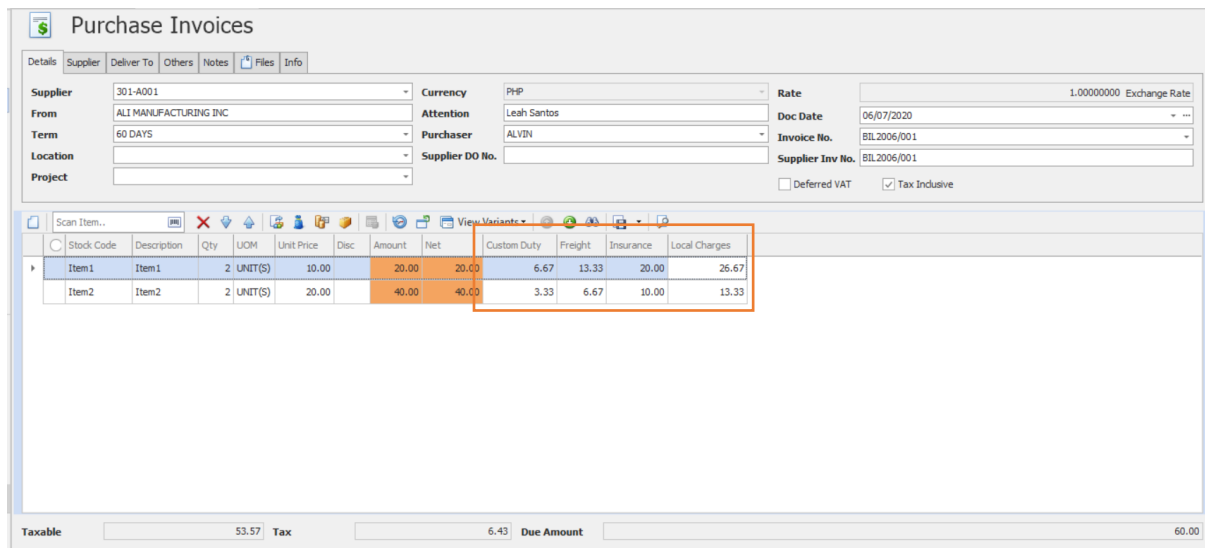
- Supplier: 301-A001
- From: ALI MANUFACTURING INC
- Term: 60 DAYS
- Location:
- Project:
- Currency: PHP
- Attention: Leah Santos
- Purchaser:
- Supplier DO No.:
- Rate:
- Doc Date: 06/07/2020
- Invoice No.: BIL2006/001
- Supplier Inv No.: BIL2006/001
- Deferred VAT: ☐
- Tax Inclusive: ☒

The item list table is as follows:

Stock Code	Description	Qty	UOM	Unit Price	Disc	Amount	Net
Item1	Item1	2	UNIT(S)	10.00		20.00	20.00
Item2	Item2	2	UNIT(S)	20.00		40.00	40.00

Taxable: 53.57 Tax: 6.43 Due Amount: 60.00

System will automatically compute the Value for Custom Duty, Freight, Insurance, and Local Charges.



The screenshot shows the 'Purchase Invoices' window with the 'Landing Cost Calculator' dialog box closed. The item list table now includes calculated values for Custom Duty, Freight, Insurance, and Local Charges:

Stock Code	Description	Qty	UOM	Unit Price	Disc	Amount	Net	Custom Duty	Freight	Insurance	Local Charges
Item1	Item1	2	UNIT(S)	10.00		20.00	20.00	6.67	13.33	20.00	26.67
Item2	Item2	2	UNIT(S)	20.00		40.00	40.00	3.33	6.67	10.00	13.33

Taxable: 53.57 Tax: 6.43 Due Amount: 60.00

The calculation of proportion *Weight* is as below:

<i>Item1</i>	
<b>Custom Duty</b> $\frac{(\text{Qty} \times \text{Weight})}{\text{Total} (\text{Qty} \times \text{Weight})} \times \text{Custom Duty}$ $= \frac{(2 \times 2)}{((2 \times 2) + (2 \times 1))} \times \text{PHP } 10$ $= \text{PHP } 6.67$	<b>Insurance</b> $\frac{(\text{Qty} \times \text{Weight})}{\text{Total} (\text{Qty} \times \text{Weight})} \times \text{Insurance}$ $= \frac{(2 \times 2)}{((2 \times 2) + (2 \times 1))} \times \text{PHP } 20$ $= \text{PHP } 20$
<b>Freight</b> $\frac{(\text{Qty} \times \text{Weight})}{\text{Total} (\text{Qty} \times \text{Weight})} \times \text{Freight}$ $= \frac{(2 \times 2)}{((2 \times 2) + (2 \times 1))} \times \text{PHP } 30$ $= \text{PHP } 13.33$	<b>Local Charges</b> $\frac{(\text{Qty} \times \text{Weight})}{\text{Total} (\text{Qty} \times \text{Weight})} \times \text{Local Charges}$ $= \frac{(2 \times 2)}{((2 \times 2) + (2 \times 1))} \times \text{PHP } 40$ $= \text{PHP } 26.67$

<i>Item2</i>	
<b>Custom Duty</b> $\frac{(\text{Qty} \times \text{Weight})}{\text{Total} (\text{Qty} \times \text{Weight})} \times \text{Custom Duty}$ $= \frac{(2 \times 1)}{((2 \times 2) + (2 \times 1))} \times 10 \text{ php}$ $= \text{PHP } 3.33$	<b>Insurance</b> $\frac{(\text{Qty} \times \text{Weight})}{\text{Total} (\text{Qty} \times \text{Weight})} \times \text{Insurance}$ $= \frac{(2 \times 1)}{((2 \times 2) + (2 \times 1))} \times \text{PHP } 20$ $= 6.67 \text{ php}$
<b>Freight</b> $\frac{(\text{Qty} \times \text{Weight})}{\text{Total} (\text{Qty} \times \text{Weight})} \times \text{Freight}$ $= \frac{(2 \times 1)}{((2 \times 2) + (2 \times 1))} \times \text{PHP } 30$ $= \text{PHP } 10$	<b>Local Charges</b> $\frac{(\text{Qty} \times \text{Weight})}{\text{Total} (\text{Qty} \times \text{Weight})} \times \text{Local Charges}$ $= \frac{(2 \times 1)}{((2 \times 2) + (2 \times 1))} \times \text{PHP } 40$ $= \text{PHP } 13.33$



**For further concerns regarding this matter, please contact support to assist you or create ticket thru this link <https://support.qne.com.ph>**