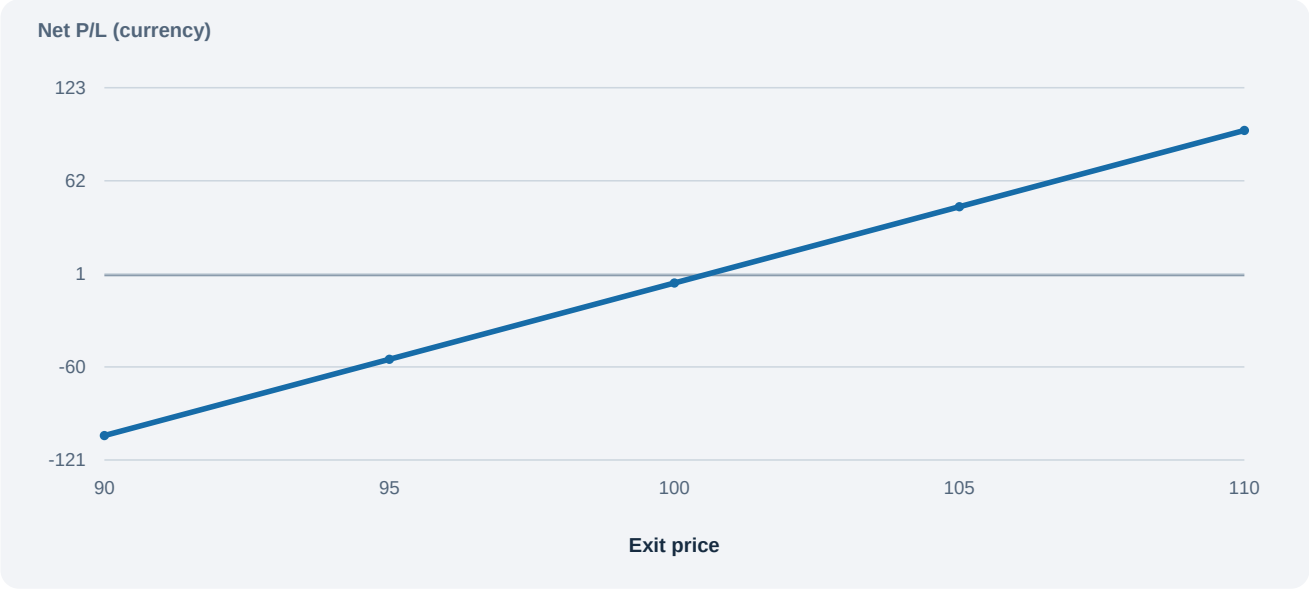
Long-position profit and loss

Execution arithmetic | Original synthetic example | Edition 2026-11-26

For a linear long position, price appreciation creates gross profit and price depreciation creates gross loss. Quantity multiplies the effect; trading costs reduce the final result.

FORMULA Net P/L = units x (exit - entry) - costs

SCENARIO 01: Long 10 units at 100; costs 5



WORKED EXAMPLE

Exiting at the entry price still loses the 5 cost. At 110, net P/L is 95.

COMMON MISTAKE

Subtracting costs from profitable trades but omitting them from losses biases a journal.

BEFORE YOU USE THE CALCULATION

1. Use executed entry and exit prices.
2. Apply signed price change.
3. Include all costs once.

COMPARE TWO MORE INPUT SETS

Scenario 05: Long 30 units at 140; costs 9. Exiting at the entry price still loses the 9 cost. At 150, net P/L is 291.

Scenario 10: Long 55 units at 190; costs 14. Exiting at the entry price still loses the 14 cost. At 200, net P/L is 536.

Synthetic values are not historical market data. Educational material; trading can result in substantial losses.