

Theme 2 – Practice Calculations

1. Table 1 contains information about a business.

Sales Revenue	£600 000
Cost of sales	£420 000
Gross profit	£180 000

Using the information in Table 1, calculate the gross profit margin. You are advised to show your workings. [2]

..... %.

2. Table 2 contains information on a business.

Gross profit	£2 200 000
Net profit	£1 600 000
Sales revenue	£4 000 000

2a. Using Table 2, calculate the costs of sales for the business. You are advised to show your workings. [2]

£.....

2b. Calculate the gross profit margin. You are advised to show your workings. [2]

.....%

2c. Calculate the net profit margin. You are advised to show your workings. [2]

.....%

3. Table 3 contains some information on a business.

Sales revenue	£732 000
Cost of sales	£356 000
Other operating expenses and interest	£214 000

3a. Using Table 3, calculate the gross profit for the business. You are advised to show your workings. [2]

£.....

3b. Using Table 3, calculate, to 2 decimal places, the gross profit margin for the business. You are advised to show your workings. [2]

..... %.

3c. Using Table 3, calculate the business' net profit. You are advised to show your workings. [2]

£.....

3d. Using Table 3, calculate, to 2 decimal places, the business' net profit margin. You are advised to show your workings. [2]

.....%.

4. Table 4 contains some information about a business.

Sales revenue	£750,000
Gross profit margin	45%
Net profit	£120,000

4a. Using the information in Table 4 calculate, the gross profit. You are advised to show your workings. [2]

£.....

4b. Using the information in Table 4, calculate the net profit margin. You are advised to show your workings. [2]

.....%

5. Table 5 contains some information about a new piece of equipment that a business will keep for five years.

Total profit over 5 years	£1 000 000
Cost of the new piece of equipment	£100 000

Using the information in Table 5, calculate the average rate of return of the new piece of equipment. You are advised to show your workings. [2]

..... %.

6. Table 6 contains some information about a new piece of machinery that a business will keep for six years.

Extra profit over the six years	£240 000
Cost of new machine	£200 000

Using the information in Table 6, calculate the average rate of return of the new piece of machinery. You are advised to show your workings. [2]

..... %.

7. The following information relates to a new piece of machinery for a business.

Table 7

Average rate of return of machinery	25%
Cost of new machine	£150 000

Using the information in Table 7, calculate the average annual profit that the machinery will generate. You are advised to show your workings. [2]

£.....

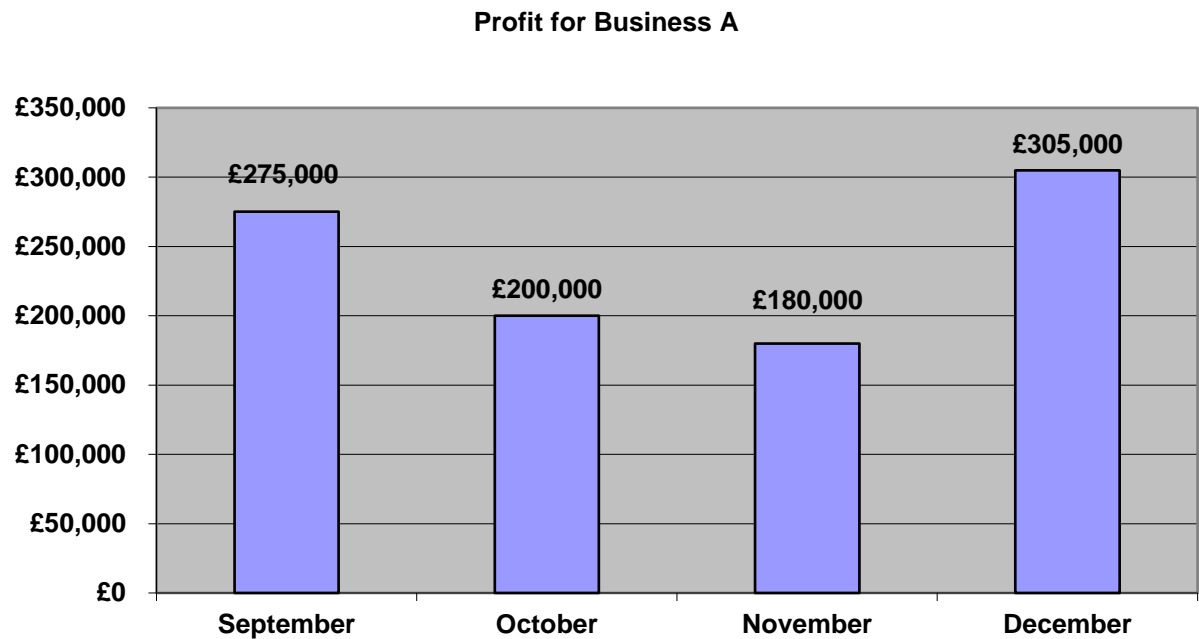
8. Table 8 shows some information about a new piece of equipment.

Average rate of return of equipment	30%
Average annual profit equipment generates	£50 000

Using the information in Table 8, calculate the initial cost of the piece of equipment. You are advised to show your workings. [2]

£.....

9. Figure 9, shows the profit for Business A between September and December.



Using the information in figure 9, calculate the average monthly profit for Business A for the months September to December. You are advised to show your workings. [2]

£

10. Table 10 shows the gross and net profits of Business B over the past three years.

	Gross profit	Net profit
Year 1	£243 000	£67 000
Year 2	£307 000	£58 500
Year 3	£266 000	£73 500

10a. Using the information in Table 10, calculate the average amount of gross profit made. You are advised to show your workings. [2]

£.....

10b. Using the information in table 10, calculate the average amount of net profit made. You are advised to show your workings. [2]

£.....