

Paper Reference 4BS1/01
Pearson Edexcel International GCSE

Business

PAPER 1: Investigating small businesses

Monday 13 May 2024 – Afternoon

Time: 1 hour 30 minutes

DATA BOOKLET

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Formulae for International GCSE Business

Turn over

FORMULAE FOR INTERNATIONAL GCSE BUSINESS

GROSS PROFIT MARGIN:

Gross profit = revenue – cost of sales

$$\text{Gross profit margin} = \frac{\text{gross profit}}{\text{revenue}} \times 100$$

OPERATING PROFIT MARGIN:

Operating profit = gross profit – other operating expenses

$$\text{Operating profit margin} = \frac{\text{operating profit}}{\text{revenue}} \times 100$$

(continued on the next page)

FORMULAE FOR INTERNATIONAL GCSE BUSINESS continued

MARKUP:

$$\text{Markup} = \frac{\text{profit per item}}{\text{cost per item}} \times 100$$

RETURN ON CAPITAL EMPLOYED (ROCE):

$$\text{ROCE} = \frac{\text{operating profit}}{\text{capital employed}} \times 100$$

CURRENT RATIO:

$$\text{Current ratio} = \frac{\text{current assets}}{\text{current liabilities}}$$

ACID TEST RATIO:

$$\text{Acid test ratio} = \frac{\text{current assets} - \text{inventory}}{\text{current liabilities}}$$