

FORMULA SHEET

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| $\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$ | $\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$ | $\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$ |
| $\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$ | $\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$ | $\frac{\text{Operating profit}}{\text{Cost of sales}} \times \frac{100}{1}$ |
| $\frac{\text{Net profit after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$ | $\frac{\text{Net profit before tax + interest expense}}{\text{Average capital employed}} \times \frac{100}{1}$ | |
| Current assets : Current liabilities | (Current assets – inventories) : Current liabilities | |
| $\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365 \text{ or } 12}{1}$ | $\frac{\text{Average creditors}}{\text{Credit purchases}} \times \frac{365 \text{ or } 12}{1}$ | $\frac{\text{Cost of sales}}{\text{Average inventories}}$ |
| $\frac{\text{Average inventories}}{\text{Cost of sales}} \times \frac{365 \text{ or } 12}{1}$ | $\frac{\text{Closing inventories}}{\text{Cost of sales}} \times \frac{365 \text{ or } 12}{1}$ | Current assets – Current liabilities |
| Non-current liabilities : Shareholders' equity | Total assets : Total liabilities | |
| $\frac{\text{Profit after tax}}{\text{No. shares in issue}}$ | $\frac{\text{Ordinary share dividends}}{\text{No. shares in issue}}$ | |
| $\frac{\text{Fixed cost}}{(\text{Selling price per unit} - \text{Variable cost per unit})}$ | $\frac{\text{Total ordinary shareholders' equity}}{\text{No. shares in issue}}$ | |