

**FORMULA SHEET**

|  |  |   |
|--|--|---|
| $\frac{\text{Gross Profit}}{\text{Sales}} \times \frac{100}{1}$                                | $\frac{\text{Gross Profit}}{\text{Cost of sales}} \times \frac{100}{1}$  | $\frac{\text{Net Profit}}{\text{Sales}} \times \frac{100}{1}$               |
| $\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$                          | $\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$  | $\frac{\text{Operating profit}}{\text{Cost of sales}} \times \frac{100}{1}$ |
| $\frac{\text{Net profit after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$ | $\frac{\text{Net profit before tax + interest expense}}{\text{Average capital employed}} \times \frac{100}{1}$ |   |
| 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   |   |
| $\frac{\text{Profit after tax}}{\text{No. shares in issue}}$                                   | $\frac{\text{Ordinary share dividends}}{\text{No. shares in issue}}$   |   |
| $\frac{\text{Fixed cost}}{(\text{Selling price per unit} - \text{Variable cost per unit})}$    | $\frac{\text{Total ordinary shareholders' equity}}{\text{No. shares in issue}}$                                |   |