



QUESTION
The following information is taken from the financial statements of a company for the year ended 31 December 2014:

	£
Revenue	100,000
Cost of sales	(40,000)
Operating expenses	(15,000)
Operating profit	45,000
Finance income	5,000
Finance expense	(2,000)
Profit before tax	48,000
Income tax expense	(12,000)
Profit for the year	36,000



REQUIRED
Calculate the following:

(a) Gross profit	
(b) Net profit	
(c) Operating profit margin	
(d) Net profit margin	



QUESTION
The following information is taken from the financial statements of a company for the year ended 31 December 2014:

	£
Revenue	120,000
Cost of sales	(50,000)
Operating expenses	(20,000)
Operating profit	50,000
Finance income	10,000
Finance expense	(5,000)
Profit before tax	55,000
Income tax expense	(15,000)
Profit for the year	40,000

