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The **Gross Price** refers to the total price of a product or service before any deductions, such as taxes, discounts, or other costs, are subtracted.

Gross\_sales\_amount = [gross\_price] \* [Qty]

Gross Sales amount depends on

* Quantity
* gross price per product
* fiscal year

The fact\_actualestimates has Quantity column.

The gross price table has following columns:

1. Product\_code
2. Fiscal\_year
3. Gross price

To find the gross price, I need to merge gross price table with fact\_actualEstimates

on the basis of product\_code as well as fiscal\_year

But there is no fiscal\_year column in fact\_actualestimates.]

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**Create a fiscal year column in fact\_actualestimates.**

So in power query, I created a custom column in fact\_actualestimate :

Fiscal\_year = = Date.Year(Date.AddMonths([date],4))

Change the fiscal year column type as text

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**Find gross\_sales\_amount**

After merging, create a custom column as

Gross\_sales\_amount = [gross\_price] \* [Qty]

Change the gross\_sales\_amount column type as fixed decimal no.

A **Pre invoice Deductions** refers to a reduction or discount applied to the price of goods or services before the final invoice is issued.

pre\_invoice\_deductions table has 3 columns:

1. customer\_code

2. fiscal\_year

3. pre\_invoice\_discount\_pct

fact\_actualsestimates has customer\_code.

Hence merged fact\_actualsestimates with pre\_invoice\_deductions table to get pre\_invoice\_discount\_pct with the common columns as customer\_code, fiscal\_year.

Change the type of pre\_invoice\_discount\_pct to percentage.

Created custom column in fact\_actualestimates as:

Pre\_invoice\_discount\_amount = [gross\_sales\_amount] \* [pre\_invoice\_discount\_pct]

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**Net invoice sales** refers to the total amount of sales revenue that a company recognizes on an invoice after accounting for any deductions, such as discounts, allowances, returns, or any other reductions that might apply.

Net invoice sales = Gross Price - Pre invoice Deductions

Since we have Gross price i.e gross\_sales\_amount and Pre invoice Deductions in fact\_actualsestimates now, we can calculate net invoice sales.

Created custom column in fact\_actualestimates as:

net\_invoice\_sales\_amount = [gross\_sales\_amount] - [pre\_invoice\_discount\_amount]

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Till now we calculated some P & L Metrics in power query, the rest we create as DAX Calculated columns.

In power query, the memory consumption and waiting time are more. Hence we are not creating all the calculated columns in power query.

With DAX calculated columns, the memory consumption and waiting time are less compared to power query but they increase Power BI file size.

Hence we need to have a balance between both.

A **Pre invoice Deductions** refers to a reduction or discount applied to the price of goods or services before the final invoice is issued.

**Net invoice sales** refers to the total amount of sales revenue that a company recognizes on an invoice after accounting for any deductions, such as discounts, allowances, returns, or any other reductions that might apply.

Net invoice sales = Gross Price - Pre invoice Deductions

**Post invoice Deductions** are reductions made to the amount due on an invoice after it has been issued.

These deductions usually occur after the sale has been completed and the invoice has been sent, and they can be due to various volume discounts, returns, product defects, shipping delays etc.

**Net sales** refers to the total revenue a company generates from selling goods or services after accounting for all deductions such as discounts, returns, allowances, and any other adjustments.

It represents the actual sales the company made and is an important metric for understanding the business's true revenue.

Net Sales = Net invoice Sales - Post invoice Deductions

**COGS ( Cost of Goods Sold )** includes all the costs that are directly tied to the production process, such as the cost of raw materials, labor, and manufacturing expenses.

COGS = Manufacturing Cost + Freight (Transportation Cost) + Other Cost

**Gross margin** is a financial metric that represents the difference between net sales and cost of goods sold (COGS).

It shows how much money a company makes from its core business activities, excluding other expenses such as operating costs, taxes, and interest. It is a key performance indicator for companies to assess their financial health and operational efficiency.

It gives :

**Profitability Insight:** A higher gross margin typically indicates a company is more efficient at producing goods or services at a lower cost, which can be a sign of strong management and competitive advantage.

**Pricing Strategy:** It helps assess whether a company is pricing its products effectively to cover production costs and generate a reasonable profit.

Gross Margin = Net Sales - COGS

Gross Margin % = ( GM / NS )\*100