## **FORMULA SHEET**

Gross profit × 100 Sales 1	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$		$\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$
Operating expenses × 100 Sales		Operating profit × 100 Sales 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	
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365 \text{ or } 12}{1}$	$\frac{\text{Average creditors}}{\text{Credit purchases}} \times \frac{365 \text{ or } 12}{1}$		Cost of sales 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	
Profit after tax No. shares in issue		Ordinary share dividends  No. shares in issue	
Fixed cost  (Selling price per unit – Variable cost per unit)		Total ordinary shareholders' equity  No. shares in issue	