

## Practical no. 4

**Title: Find out margin and common ratio**

### Objective:

1. To learn about how to calculate a margin and common ratio Theory:
2. Margin:
3. Common ratio:

### Performance and result:

All operations are performed on the following workbook. Financial sample

Following are the observations and operations performed on the sample workbook: MARGIN:

1. First open the sample workbook.

Book1 - Excel

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B I U

General

Conditional Formatting Format as Table Cell Styles

Insert Delete Format

AutoSum Fill Clear Sort & Find & Filter Select

E2

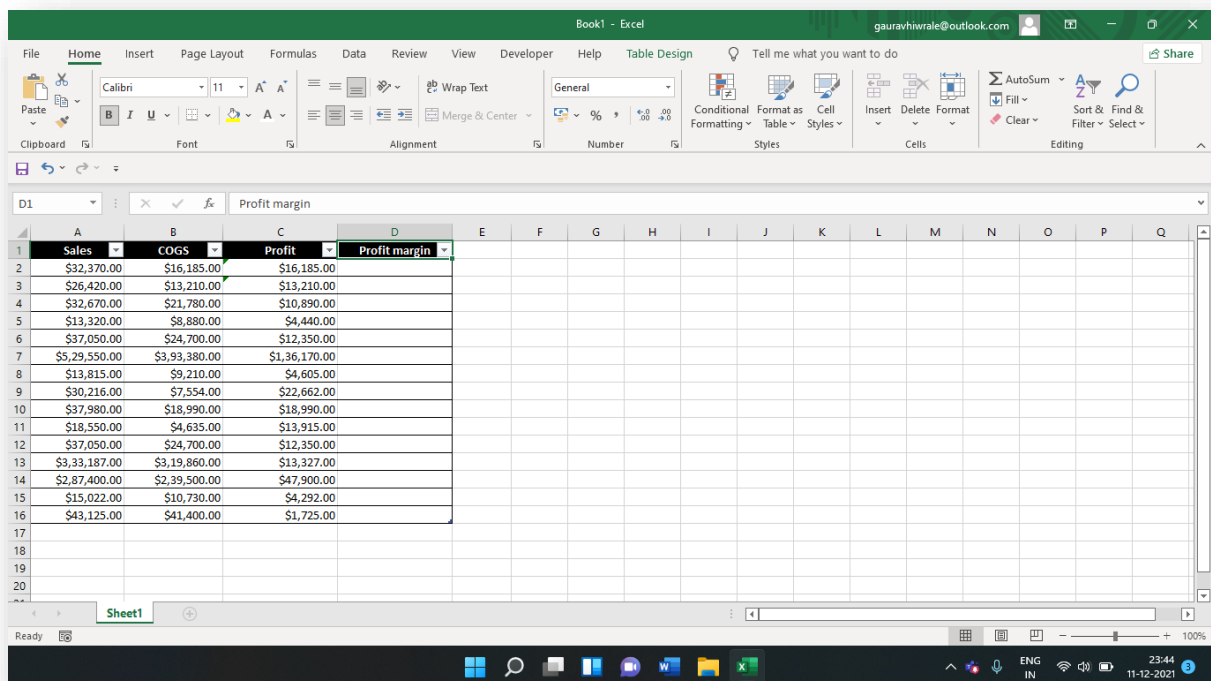
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
	Sales	COGS	Profit															
1	\$32,370.00	\$16,185.00	\$16,185.00															
2	\$26,420.00	\$13,210.00	\$13,210.00															
3	\$32,670.00	\$21,780.00	\$10,890.00															
4	\$13,320.00	\$8,880.00	\$4,440.00															
5	\$37,050.00	\$24,700.00	\$12,350.00															
6	\$5,29,550.00	\$3,93,380.00	\$1,36,170.00															
7	\$13,815.00	\$9,210.00	\$4,605.00															
8	\$30,216.00	\$7,554.00	\$22,662.00															
9	\$37,980.00	\$18,990.00	\$18,990.00															
10	\$18,550.00	\$4,635.00	\$13,915.00															
11	\$37,050.00	\$24,700.00	\$12,350.00															
12	\$3,33,187.00	\$3,19,860.00	\$13,327.00															
13	\$2,87,400.00	\$2,39,500.00	\$47,900.00															
14	\$15,022.00	\$10,730.00	\$4,292.00															
15	\$43,125.00	\$41,400.00	\$1,725.00															
16																		
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Sheet1

Ready

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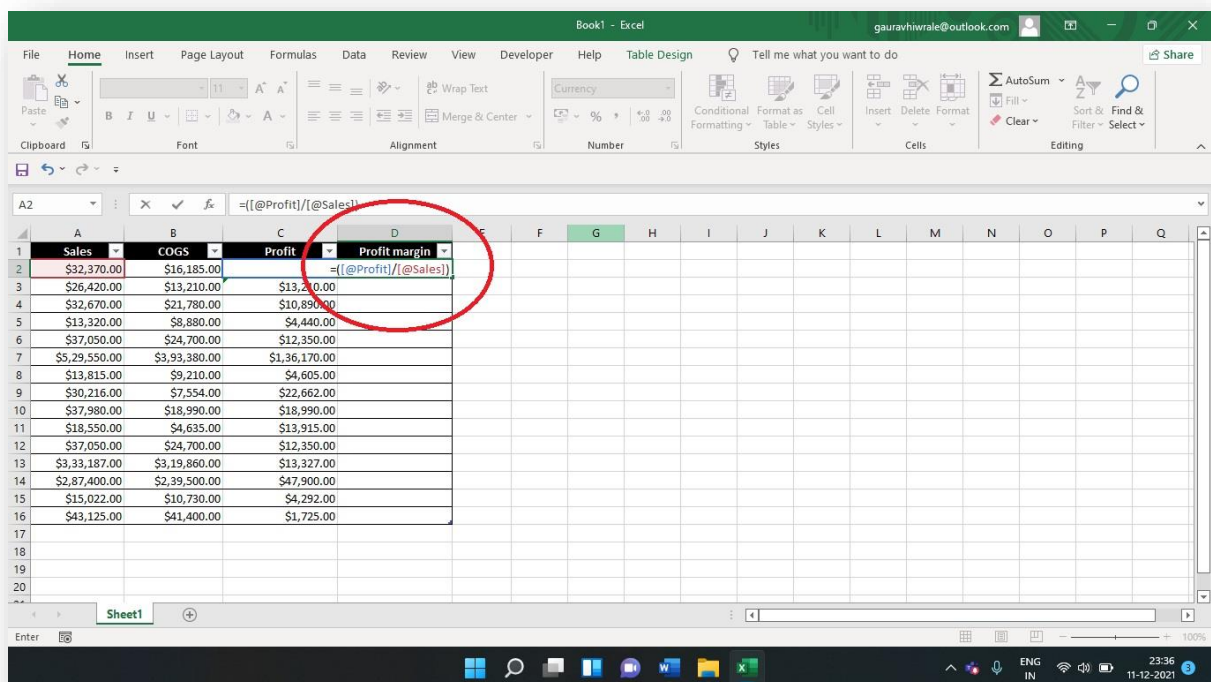
2. Then insert a column with name profit margin.



The screenshot shows an Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	Sales	COGS	Profit	Profit margin													
2	\$32,370.00	\$16,185.00	\$16,185.00														
3	\$26,420.00	\$13,210.00	\$13,210.00														
4	\$32,670.00	\$21,780.00	\$10,890.00														
5	\$13,320.00	\$8,880.00	\$4,440.00														
6	\$37,050.00	\$24,700.00	\$12,350.00														
7	\$5,29,550.00	\$3,93,380.00	\$1,36,170.00														
8	\$13,815.00	\$9,210.00	\$4,605.00														
9	\$30,216.00	\$7,554.00	\$22,662.00														
10	\$37,980.00	\$18,990.00	\$18,990.00														
11	\$18,550.00	\$4,635.00	\$13,915.00														
12	\$37,050.00	\$24,700.00	\$12,350.00														
13	\$3,33,187.00	\$3,19,860.00	\$13,327.00														
14	\$2,87,400.00	\$2,39,500.00	\$47,900.00														
15	\$15,022.00	\$10,730.00	\$4,292.00														
16	\$43,125.00	\$41,400.00	\$1,725.00														

3. After that select a D2 Cell on that type the formula to calculate margin.  
i.e"  $= (C2/A2) * 100$  ". i.e. profit/sale\*100.



The screenshot shows the same Excel spreadsheet as before, but now the formula  $=([@Profit]/[@Sales])$  has been entered into cell D2. The formula bar at the top shows the formula being entered.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	Sales	COGS	Profit	Profit margin													
2	\$32,370.00	\$16,185.00	\$16,185.00	$=([@Profit]/[@Sales])$													
3	\$26,420.00	\$13,210.00	\$13,210.00														
4	\$32,670.00	\$21,780.00	\$10,890.00														
5	\$13,320.00	\$8,880.00	\$4,440.00														
6	\$37,050.00	\$24,700.00	\$12,350.00														
7	\$5,29,550.00	\$3,93,380.00	\$1,36,170.00														
8	\$13,815.00	\$9,210.00	\$4,605.00														
9	\$30,216.00	\$7,554.00	\$22,662.00														
10	\$37,980.00	\$18,990.00	\$18,990.00														
11	\$18,550.00	\$4,635.00	\$13,915.00														
12	\$37,050.00	\$24,700.00	\$12,350.00														
13	\$3,33,187.00	\$3,19,860.00	\$13,327.00														
14	\$2,87,400.00	\$2,39,500.00	\$47,900.00														
15	\$15,022.00	\$10,730.00	\$4,292.00														
16	\$43,125.00	\$41,400.00	\$1,725.00														

4. Then press **ENTER** to see the **RESULT**.

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Profit margin

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	Sales	COGS	Profit	Profit margin													
2	\$32,370.00	\$16,185.00	\$16,185.00	\$50.00													
3	\$26,420.00	\$13,210.00	\$13,210.00	\$50.00													
4	\$32,670.00	\$21,780.00	\$10,890.00	\$33.33													
5	\$13,320.00	\$8,880.00	\$4,440.00	\$33.33													
6	\$37,050.00	\$24,700.00	\$12,350.00	\$33.33													
7	\$5,29,550.00	\$3,93,380.00	\$1,36,170.00	\$25.71													
8	\$13,815.00	\$9,210.00	\$4,605.00	\$33.33													
9	\$30,216.00	\$7,554.00	\$22,662.00	\$75.00													
10	\$37,980.00	\$18,990.00	\$18,990.00	\$50.00													
11	\$18,550.00	\$4,635.00	\$13,915.00	\$75.01													
12	\$37,050.00	\$24,700.00	\$12,350.00	\$33.33													
13	\$3,33,187.00	\$3,19,860.00	\$13,327.00	\$4.00													
14	\$2,87,400.00	\$2,39,500.00	\$47,900.00	\$16.67													
15	\$15,022.00	\$10,730.00	\$4,292.00	\$28.57													
16	\$43,125.00	\$41,400.00	\$1,725.00	\$4.00													

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## Common Ratio:

1. To calculate common ratio, insert a common ratio column

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Common Ratio

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Sales	COGS	Profit	Profit margin	Common Ratio									
2	\$32,370.00	\$16,185.00	\$16,185.00	\$50.00										
3	\$26,420.00	\$13,210.00	\$13,210.00	\$50.00										
4	\$32,670.00	\$21,780.00	\$10,890.00	\$33.33										
5	\$13,320.00	\$8,880.00	\$4,440.00	\$33.33										
6	\$37,050.00	\$24,700.00	\$12,350.00	\$33.33										
7	\$5,29,550.00	\$3,93,380.00	\$1,36,170.00	\$25.71										
8	\$13,815.00	\$9,210.00	\$4,605.00	\$33.33										
9	\$30,216.00	\$7,554.00	\$22,662.00	\$75.00										
10	\$37,980.00	\$18,990.00	\$18,990.00	\$50.00										
11	\$18,550.00	\$4,635.00	\$13,915.00	\$75.01										
12	\$37,050.00	\$24,700.00	\$12,350.00	\$33.33										
13	\$3,33,187.00	\$3,19,860.00	\$13,327.00	\$4.00										
14	\$2,87,400.00	\$2,39,500.00	\$47,900.00	\$16.67										
15	\$15,022.00	\$10,730.00	\$4,292.00	\$28.57										
16	\$43,125.00	\$41,400.00	\$1,725.00	\$4.00										

Sheet1

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- After if you want to calculate the common ratio, we have a common ratio formula let consider 3 column A, B, C. If we want to calculate the ratio of A:B:C then the formula will be  $= (A/B) \& ":" \& (B/C) \& ":" \& (C/A)$ .
- Now for the sample worksheet we will calculate ratio of sales, cost and profit i.e. Sale: Cost: Profit. For calculating this the formula will become  $= (A2/B2) \& ":" \& (B2/C2) \& ":" \& (C2/A2)$ . Input this formula in E2.

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DATE X f<sub>x</sub>  $= (A2/B2) \& ":" \& (B2/C2) \& ":" \& (C2/A2)$

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Sales	COGS	Profit	Profit margin	Common Ratio								
2	\$32,370.00	\$16,185.00	\$16,185.00	\$50.00	$= (A2/B2) \& ":" \& (B2/C2) \& ":" \& (C2/A2)$								
3	\$26,420.00	\$13,210.00	\$13,210.00	\$50.00									
4	\$32,670.00	\$21,780.00	\$10,890.00	\$33.33									
5	\$13,320.00	\$8,880.00	\$4,440.00	\$33.33									
6	\$37,050.00	\$24,700.00	\$12,350.00	\$33.33									
7	\$5,29,550.00	\$3,93,380.00	\$1,36,170.00	\$25.71									
8	\$13,815.00	\$9,210.00	\$4,605.00	\$33.33									
9	\$30,216.00	\$7,554.00	\$22,662.00	\$75.00									
10	\$37,980.00	\$18,990.00	\$18,990.00	\$50.00									
11	\$18,550.00	\$4,635.00	\$13,915.00	\$75.01									
12	\$37,050.00	\$24,700.00	\$12,350.00	\$33.33									
13	\$3,33,187.00	\$3,19,860.00	\$13,327.00	\$4.00									
14	\$2,87,400.00	\$2,39,500.00	\$47,900.00	\$16.67									
15	\$15,022.00	\$10,730.00	\$4,292.00	\$28.57									
16	\$43,125.00	\$41,400.00	\$1,725.00	\$4.00									
17													
18													
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Sheet1

Enter

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- Then press **ENTER** to see the **RESULT**.

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E1 X f<sub>x</sub> Common Ratio

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Sales	COGS	Profit	Profit margin	Common Ratio								
2	\$32,370.00	\$16,185.00	\$16,185.00	\$50.00	2:1:0.5								
3	\$26,420.00	\$13,210.00	\$13,210.00	\$50.00	2:1:0.5								
4	\$32,670.00	\$21,780.00	\$10,890.00	\$33.33	1.5:2:0.333333333333333								
5	\$13,320.00	\$8,880.00	\$4,440.00	\$33.33	1.5:2:0.333333333333333								
6	\$37,050.00	\$24,700.00	\$12,350.00	\$33.33	1.5:2:0.333333333333333								
7	\$5,29,550.00	\$3,93,380.00	\$1,36,170.00	\$25.71	1.34615384615385:2.88888888888889:0.257142857142857								
8	\$13,815.00	\$9,210.00	\$4,605.00	\$33.33	1.5:2:0.333333333333333								
9	\$30,216.00	\$7,554.00	\$22,662.00	\$75.00	4:0.333333333333333:0.75								
10	\$37,980.00	\$18,990.00	\$18,990.00	\$50.00	2:1:0.5								
11	\$18,550.00	\$4,635.00	\$13,915.00	\$75.01	4.00215749730313:0.333093783686669:0.750134770889488								
12	\$37,050.00	\$24,700.00	\$12,350.00	\$33.33	1.5:2:0.333333333333333								
13	\$3,33,187.00	\$3,19,860.00	\$13,327.00	\$4.00	1.04166510348277:24.0009004277032:0.0399985593675624								
14	\$2,87,400.00	\$2,39,500.00	\$47,900.00	\$16.67	1.25:0.166666666666667								
15	\$15,022.00	\$10,730.00	\$4,292.00	\$28.57	1.4:2.5:0.285714285714286								
16	\$43,125.00	\$41,400.00	\$1,725.00	\$4.00	1.04166666666667:24:0.04								
17													
18													
19													
20													

Sheet1

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### **Discussion and conclusion:**

After performing this practical we understood uses of profit margin and common ratio in calculation of financial data.

Also we understood how to calculate it

.

### **Assessment Details:**

<b>Date of Lab conducted</b>	<b>Date of Evaluation</b>	<b>Grade</b>	<b>Sign &amp; Remark (if any)</b>