Solution:

(1)

$$Cost\ of\ Goods\ Sold = Purchase + Beginning\ Inventory\ - Final\ Inventory$$

Using the values given, we get

$$Cost\ of\ Goods\ Sold = 1{,}035{,}000 + 240{,}000 - 275{,}000 = 1{,}000{,}000$$

Thus, the gross profit is given by:

$$Gross\ Profit = Sales - Cost\ of\ Goods\ Sold$$

$$= 1{,}200{,}000\ - 1{,}000{,}000 = \$200{,}000$$

Thus, $Gross\ Profit = \$200{,}000.$

(2)

$$Inventory\ Turnover = Cost\ of\ Goods\ Sold\ \div Average\ Inventory$$

Average inventory is given by:

$$Average\ Inventory = \frac{240{,}000\ + 275{,}000}{2} = 257{,}500$$

The inventory turnover is given by:

$$Inventory\ Turnover = \frac{1{,}000{,}000}{257{,}500} = 3.88$$