Related transaction A Regular price? B Sales 120 C special relationship non-special relationship Comparison transaction 1 D purchase B Sales 150 E non-special relationship non-special relationship Operating profit 15 - B’s operating profit ratio: 15/150 = 0.1 - Normal operating profit: 120 (sales) × 0.1 = 12 Comparison transaction 2 G purchase F Sales 200 H non-special relationship non-special relationship Operating profit 20 - F’s operating profit ratio: 20/200 = 0.1 - Normal operating profit: 120 (sales) × 0.1 = 12