

Gross profit margin practice worksheet

Name _____ Date _____

1. Gross profit margin (problem 2401)

From the income statement items below, work out the gross profit margin.

INCOME STATEMENT ITEMS FOR THE YEAR (\$)

Sales returns and allowances	32,000
Sales revenue	1,120,000
Selling and administrative expenses	133,000
Cost of goods sold	393,000
Income tax expense	136,000
Interest expense	17,000

1. Net revenue: _____
2. Gross profit: _____
3. Gross profit margin (%): _____

2. Gross profit margin (problem 2402)

From the income statement items below, work out the gross profit margin.

INCOME STATEMENT ITEMS FOR THE YEAR (\$)

Cost of goods sold	621,000
Sales revenue	1,330,000
Income tax expense	87,000
Selling and administrative expenses	329,000
Interest expense	14,000
Sales returns and allowances	19,000

1. Net revenue: _____
2. Gross profit: _____
3. Gross profit margin (%): _____

3. Gross profit margin (problem 2403)

From the income statement items below, work out the gross profit margin.

INCOME STATEMENT ITEMS FOR THE YEAR (\$)

Selling and administrative expenses	146,000
Sales returns and allowances	10,000
Cost of goods sold	279,000
Income tax expense	60,000
Interest expense	6,000
Sales revenue	680,000

1. Net revenue: _____
2. Gross profit: _____
3. Gross profit margin (%): _____

4. Gross profit margin (problem 2404)

From the income statement items below, work out the gross profit margin.

INCOME STATEMENT ITEMS FOR THE YEAR (\$)

Sales revenue	930,000
Income tax expense	1,000
Selling and administrative expenses	172,000
Interest expense	5,000
Cost of goods sold	721,000
Sales returns and allowances	28,000

1. Net revenue: _____
2. Gross profit: _____
3. Gross profit margin (%): _____

5. Gross profit margin (problem 2405)

From the income statement items below, work out the gross profit margin.

INCOME STATEMENT ITEMS FOR THE YEAR (\$)

Sales returns and allowances	34,000
Interest expense	17,000
Selling and administrative expenses	147,000
Income tax expense	-2,000
Cost of goods sold	410,000
Sales revenue	600,000

1. Net revenue: _____
2. Gross profit: _____
3. Gross profit margin (%): _____

6. Gross profit margin (problem 2406)

From the income statement items below, work out the gross profit margin.

INCOME STATEMENT ITEMS FOR THE YEAR (\$)

Selling and administrative expenses	42,000
Interest expense	25,000
Sales revenue	420,000
Cost of goods sold	187,000
Income tax expense	32,000
Sales returns and allowances	37,000

1. Net revenue: _____
2. Gross profit: _____
3. Gross profit margin (%): _____

Answer key

1. Gross profit margin (problem 2401)

1. **Net revenue: 1,088,000.** Sales revenue 1,120,000 – Sales returns and allowances 32,000 = 1,088,000
2. **Gross profit: 695,000.** Net revenue 1,088,000 – Cost of goods sold 393,000 = 695,000
3. **Gross profit margin (%): 63.9%.** $695,000 \div 1,088,000 = 63.9\%$

2. Gross profit margin (problem 2402)

1. **Net revenue: 1,311,000.** Sales revenue 1,330,000 – Sales returns and allowances 19,000 = 1,311,000
2. **Gross profit: 690,000.** Net revenue 1,311,000 – Cost of goods sold 621,000 = 690,000
3. **Gross profit margin (%): 52.6%.** $690,000 \div 1,311,000 = 52.6\%$

3. Gross profit margin (problem 2403)

1. **Net revenue: 670,000.** Sales revenue 680,000 – Sales returns and allowances 10,000 = 670,000
2. **Gross profit: 391,000.** Net revenue 670,000 – Cost of goods sold 279,000 = 391,000
3. **Gross profit margin (%): 58.4%.** $391,000 \div 670,000 = 58.4\%$

4. Gross profit margin (problem 2404)

1. **Net revenue: 902,000.** Sales revenue 930,000 – Sales returns and allowances 28,000 = 902,000
2. **Gross profit: 181,000.** Net revenue 902,000 – Cost of goods sold 721,000 = 181,000
3. **Gross profit margin (%): 20.1%.** $181,000 \div 902,000 = 20.1\%$

5. Gross profit margin (problem 2405)

1. **Net revenue: 566,000.** Sales revenue 600,000 – Sales returns and allowances 34,000 = 566,000
2. **Gross profit: 156,000.** Net revenue 566,000 – Cost of goods sold 410,000 = 156,000
3. **Gross profit margin (%): 27.6%.** $156,000 \div 566,000 = 27.6\%$

6. Gross profit margin (problem 2406)

1. **Net revenue: 383,000.** Sales revenue 420,000 – Sales returns and allowances 37,000 = 383,000
2. **Gross profit: 196,000.** Net revenue 383,000 – Cost of goods sold 187,000 = 196,000
3. **Gross profit margin (%): 51.2%.** $196,000 \div 383,000 = 51.2\%$

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