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BUF 2255 OL50

Homework #2

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7. For the answers to this question, round dollar figures to the nearest dollar and show all percents correct to two decimal places. Set up a skeletal profit-and-loss statement, given the following data:

Gross sales $680,366
Gross margin $271,251
Customer returns 9.80%
Expenses 41.70%

Gross sales	$680,366 (given)	100%
CR&A	$66,675.	9.80% (given) (as a decimal: 0.0980)
Net sales	$613,690	100%
-Cost of merch	$342,439	55.80%
Gross Margin	$271,251 (given)	44.20%
-Expenses	$255,908	41.70% (given)
=Profit	$15,343	2.5%

1. Determine $ CR&A: % CR&A x GS
   9.80% = 0.098. 0.098 x $680,366 = $66,675.868
2. Determine $ Net Sales: $ GS - $ CR&A
   $680,366 - $66,675 = $613,690
3. Determine $ Cost of Merch.: $ Net Sales - $ GM
   $613,690 - $271,251 = $342,439
4. Determine % Cost of Merch. $ Cost of Merch. / $ Net Sales x 100
   $342,439 / $613,690 = 0.5579 = 55.79% (round to nearest ten) 55.80%
5. Determine % GM: $ GM / Net Sales x 100
   $271,351 / $613,690 = 0.4421 = 44.21% (round to nearest ten) 44.20%
6. Determine $ Expenses: % Expenses x Net Sales
   41.70% = 0.417. 0.417 x $613,690 = $255,908.73
7. Determine $ Profit: $ GM - $ Expenses
   $271,251 - $255,908 = $15,343
8. Determine % Profit: $ Profit / Net Sales x 100
   $15,343 / $613,690 = 0.025 = 2.50%

8. For the answers to this question, round dollar figures to the nearest dollar and show all percents correct to two decimal places. Set up a skeletal profit-and-loss statement, given the following data:
Gross sales $86,536
Customer returns $9,214
Expenses 45.64%
Loss (1.78%)

Gross sales	$86,536 (given)	100%
CR&A	$9,214 (given)	10.64%
Net sales	$77,322	100%
-Cost of merch	$43,409	56.14%
Gross Margin	$33,913	43.86%
-Expenses	$35,289	45.64% (given)
=Loss	$1,376	1.78% (given)

1. Determine % CR&A: $ CR&A / GS x 100
   $9,214 / $86,536 = 0.1064 = 10.64%
2. Determine $ Net Sales: $ GS - $ CR&A
   $86,536 - $9,214 = $77,322
3. Unable to determine $ Cost of Merch.: ($ Net Sales - $ GM) because GM is not given. Therefore determine $ Expenses: % Expenses x Net Sales
   45.64% = 0.4564. 0.4564 x $77,322 = $35,289.7608
4. Determine $ Loss: % Loss x Net Sales
   1.78% = 0.0178. 0.0178 x $77,322 = $1,376.3316
5. Determine $ GM: $ Expenses - $ Loss
   $35,289 - $1,376 = $33,913
6. Determine % GM = $ GM / Net Sales x 100
   $33,913 / $77,322 = 0.43859 x 100 = 43.86%
7. Determine $ Cost of Merch.: $ Net Sales - $ GM
   $77,322 - $33,913 = $43,409
8. Determine % Cost of Merch.: $ Cost of Merch / Net Sales x 100
   $43,409 / $77,322 = 0.5614 = 56.14%

9. For the answers to this question, round dollar figures to the nearest dollar and show all percents correct to two decimal places. Set up a skeletal profit-and-loss statement, given the following data:
Gross sales $120,000

Customer returns 18,562
Gross margin 45,220
Profit 4,000

Gross sales	$120,000 (given)	100%
CR&A	$18,562 (given)	15.46%
Net sales	$101,438	100%
-Cost of merch	$56,218	55.42%
Gross Margin	$45,220 (given)	44.58%
-Expenses	$41,220	40.64%
=Profit	$4,000 (given)	3.94%

1. Determine % CR&A: $ CR&A / GS x 100
   $18,562 / $120,000 = .1546 = 15.46%
2. Determine $ Net Sales: $ GS - $ CR&A
   $120,000 - $18,652 = $101,348
3. Determine $ Cost of Merch.: $ Net Sales - $ GM
   $101,348 - $45,220 = $56,128
4. Determine % Cost of Merch.: $ Cost of Merch. / Net Sales x 100
   $56,128 / $101,348 = 0.55381 = 55.38% (round it) 55.4%
5. Determine % Gross Margin: $ GM / Net Sales x 100
   $45,220 / 101,348 = 0.4461 = 44.61%
6. Determine % Profit: $ Profit / $ Net Sales x 100
   $4,000 / $101,348 = 0.0394 = 3.94%
7. Determine $ Expenses = $ GM - $ Profit
   $45,220 - $4,000 = $41,220
8. Determine % Expenses: $ Expenses / $ Net Sales x 100
   $41,220 / $101,348 = 0.4067 = 40.67%