**Activity 1 – Calculating gross and net profit**

|  |  |  |
| --- | --- | --- |
| David’s Hairdressers | £ | £ |
| Sales  |  | 215,550 |
|  |  |  |
| Cost of sales  |  |  |
| Opening stock  | 3,999 |  |
| Purchases  | 75,910 |  |
| Closing stock  | 6,120 |  |
|  |  |  |
| Gross profit  |  |  |

|  |  |  |
| --- | --- | --- |
| Stevens Sweet shop  | £ | £ |
| Sales  |  | 103,200 |
|  |  |  |
| Cost of sales  |  |  |
| Opening stock  | 4,500 |  |
| Purchases  | 62,150 |  |
| Closing stock  | 5,750 |  |
|  |  |  |
| Gross profit  |  |  |

|  |  |  |
| --- | --- | --- |
| Jessica’s beauty bar  | £ | £ |
| Sales  |  | 91,950 |
|  |  |  |
| Cost of sales  |  |  |
| Opening stock  | 5,100 |  |
| Purchases  | 27,722 |  |
| Closing stock  | 7,120 |  |
|  |  |  |
| Gross profit  |  |  |

**Activity 1 – Calculating gross and net profit – Answers**

|  |  |  |
| --- | --- | --- |
| David’s Hairdressers | £ | £ |
| Sales  |  | 215,550 |
|  |  |  |
| Cost of sales  |  |  |
| Opening stock  | 3,999 |  |
| Purchases  | 75,910 |  |
| Closing stock  | 6,120 |  |
|  | 73,789 | 73,789 |
| Gross profit  |  | 141,761 |

|  |  |  |
| --- | --- | --- |
| Stevens Sweet shop  | £ | £ |
| Sales  |  | 103,200 |
|  |  |  |
| Cost of sales  |  |  |
| Opening stock  | 4,500 |  |
| Purchases  | 62,150 |  |
| Closing stock  | 5,750 |  |
|  | 60,900 | 60,900 |
| Gross profit  |  | 42,300 |

|  |  |  |
| --- | --- | --- |
| Jessica’s beauty bar  | £ | £ |
| Sales  |  | 91,950 |
|  |  |  |
| Cost of sales  |  |  |
| Opening stock  | 5,100 |  |
| Purchases  | 27,722 |  |
| Closing stock  | 7,120 |  |
|  | 25,702 | 25,702 |
| Gross profit  |  | 66,248 |

**Activity 2 – Profit and loss net profit**

|  |  |  |
| --- | --- | --- |
| Davids Hairdressers | £ | £ |
| Gross profit  |  | 141,761 |
|  |  |  |
| Less: Expenses  |  |  |
| Wages  | 27,100 |  |
| Rent  | 12,250 |  |
| Rates  | 500 |  |
| Travel  | 795 |  |
| Sundry expenses  | 125 |  |
| Electricity  | 1,500 |  |
| Total expenses  |  |  |
|  |  |  |
| Net profit  |  |  |

|  |  |  |
| --- | --- | --- |
| Stevens sweet shop | £ | £ |
| Gross profit  |  | 42,300 |
|  |  |  |
| Less: Expenses  |  |  |
| Wages  | 10,300 |  |
| Rent  | 1,500 |  |
| Rates  | 775 |  |
| Travel  | 990 |  |
| Sundry expenses  | 175 |  |
| Electricity  | 1,725 |  |
| Total expenses  |  |  |
|  |  |  |
| Net profit  |  |  |

|  |  |  |
| --- | --- | --- |
| Jessica’s beauty bar | £ | £ |
| Gross profit  |  | 66,248 |
|  |  |  |
| Less: Expenses  |  |  |
| Wages  | 21,500 |  |
| Rent  | 6,750 |  |
| Rates  | 750 |  |
| Travel  | 1,600 |  |
| Sundry expenses  | 125 |  |
| Electricity  | 2,250 |  |
| Total expenses  |  |  |
|  |  |  |
| Net profit  |  |  |

**Activity 2 – Profit and loss net profit – Answers**

|  |  |  |
| --- | --- | --- |
| Davids Hairdressers | £ | £ |
| Gross profit  |  | 141,761 |
|  |  |  |
| Less: Expenses  |  |  |
| Wages  | 27,100 |  |
| Rent  | 12,250 |  |
| Rates  | 500 |  |
| Travel  | 795 |  |
| Sundry expenses  | 125 |  |
| Electricity  | 1,500 |  |
| Total expenses  | **42,270** | **42,270** |
|  |  |  |
| Net profit  |  | **99,491** |

|  |  |  |
| --- | --- | --- |
| Stevens sweet shop | £ | £ |
| Gross profit  |  | 42,300 |
|  |  |  |
| Less: Expenses  |  |  |
| Wages  | 10,300 |  |
| Rent  | 1,500 |  |
| Rates  | 775 |  |
| Travel  | 990 |  |
| Sundry expenses  | 175 |  |
| Electricity  | 1,725 |  |
| Total expenses  | **15,465** | **15,465** |
|  |  |  |
| Net profit  |  | **26,835** |

|  |  |  |
| --- | --- | --- |
| Jessica’s beauty bar | £ | £ |
| Gross profit  |  | 66,248 |
|  |  |  |
| Less: Expenses  |  |  |
| Wages  | 21,500 |  |
| Rent  | 6,750 |  |
| Rates  | 750 |  |
| Travel  | 1,600 |  |
| Sundry expenses  | 125 |  |
| Electricity  | 2,250 |  |
| Total expenses  | **32,975** | **32,975** |
|  |  |  |
| Net profit  |  | **33,273** |