



Worksheet 3: Applying calculations to the formulas answers

- 1 A computer retailer has made sales of \$500 000. It has expenses of \$220 000. Calculate its net profit.

$$\$500\,000 - \$220\,000 = \$280\,000$$

- 2 A company has current assets of \$180 000 and current liabilities of \$150 000. Calculate its working capital.

$$\$180\,000 - \$150\,000 = \$30\,000$$

- 3 A carpenter bought a second-hand table at \$30, after repairing it, he sold it at \$50. Calculate the mark-up percentage.

$$(\$50 - \$30) \div \$30 = \$66.67$$

- 4 A property entrepreneur bought a block of apartments for \$540 000 and sold them for \$900 000. Calculate their gross profit.

$$\$900\,000 - \$540\,000 = \$360\,000$$

- 5 Lily bought goods worth \$1 000 000 and sold them for \$1 300 000. Calculate Lily's gross profit margin.

$$\$900\,000 - \$540\,000 = \$360\,000$$

- 6 A clothing manufacturer makes 3000 pairs of jeans and sells them for \$20 each. Calculate its profit.

$$\$20 \times 3000 = \$60\,000$$

- 7 An insurance company has 80 fire insurance claims a year. The average cost of each claim is \$40 000 a year. Their cost in operating the insurance pool is \$800 000. Calculate the average insurance premium per customer.

$$80 \times \$40\,000 = \$3\,200\,000 + \$800\,000 = \$4\,000\,000$$

$$£4\,000\,000 \div 16\,000 = \$250$$
