

## Profit and loss account

1. Look at the profit and loss account for Supersox, a company which makes socks. Read the sentences (A-H) and write the correct figures in the profit and loss account. After that do the calculations and write the figures of **GROSS PROFIT**, **TOTAL OVERHEADS** and **NET PROFIT**.

**DON'T WRITE the SYMBOL of euros (€)!**

**WRITE A COMMA to separate groups of thousands, e.g. 6,100.**

**WRITE NEGATIVE FIGURES IN BRACKETS!**

<b>SUPERSOX</b>	
<b>Profit and loss account</b>	
<b>November 2020</b>	
<b>Sales revenue</b>	
<b>Cost of sales</b>	
Labour	
Stock movement	
Distribution	
<b>Gross profit</b>	
<b>Overheads</b>	
Personnel	
Building costs	
Stationery and publications	(217)
Phone bills	(850)
Computer costs	
Advertising	
Depreciation	
<b>Total overheads</b>	
<b>Net profit</b>	

In November 2020:

- a) The total salaries of staff not involved with production (e.g. administrative staff) were €7,540.
- b) The company used raw materials to the value of €750 to make their products.
- c) The company spent €840 on new software.
- d) The company spent €810 on delivering their products.
- e) The company earned a total of €27,150 from selling socks.
- f) The company paid their production staff €5,940 in salaries.
- g) The estimates fall in value of the company's assets was €1,000.
- h) They paid €6,100 rent for their offices and factory.
- i) The company spent €1,000 on product promotion.

2. Complete the following definitions:

- a) The money a company makes before deducting the running costs and taxes is the \_\_\_\_\_ profit.
- b) The money a company makes after all the expenses and deductions is the \_\_\_\_\_ profit.