

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!

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

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.