10 The income statement – Part 1 — Answers

Answers

Work through these after trying the questions yourself.

10.1 The revenue, costs and profit of a business over a period.
10.2 Gross profit = revenue − cost of sales.
10.3 £200.
10.4 Expenses (such as rent, wages and marketing).
10.5 Net profit.

10.6 Gross profit = revenue − cost of sales = $800 - 500 =$ £300. Operating profit = gross profit − expenses = $300 - 200 =$ £100.