

Income Statements

Chris runs a business selling hand made coloured plastic jewellery.

- Each necklace Chris makes sells for £10. The materials cost £3.
- Chris sells 25 necklaces in the run up to Christmas.

1. Calculate Chris' total revenue for December from selling necklaces
2. Write down the formula for gross profit
3. Calculate the gross profit for Chris' necklace business in December
4. Identify what types of item might be included in Chris' cost of sales

The total of Chris' overheads and all other costs other than cost of sales was £300 in December.

5. List 3 other cost items that might be included in this. Are these fixed or variable costs?

6. Calculate Chris' **total expenditure** for December

7. Write down the formula for profit/loss

8. Has Chris made a profit or a loss in December? Justify your answer.

9. Calculate Chris' net profit for December

10. Complete the Income statement for Chris in December.

	£	£
Income from sales		
Cost of sales		
Gross profit		
Expenses/overheads		
Total overheads		
Net profit		