

Finance Formulae

All the formulae you need to know in one place.

Learn these formulae. They will not be given to you in the exam

Topic A – Costs, Revenue and Profit

Total costs = fixed costs + variable costs

Revenue = number of sales x price per unit

Profit = revenue – expenditure

Topic C – Measuring success

Gross profit = revenue – cost of sales

Net profit = gross profit – expenditure

You also need to know how to use this formula (but it will always be given to you in the exam):

$$\text{Breakeven} = \frac{\text{Fixed costs}}{\text{Selling price per unit} - \text{Variable cost per unit}}$$