

A Level Business (H436)

Formulae Booklet



INSTRUCTIONS

- Do **not** send this Formulae Booklet for marking. Keep it in centre or recycle it.

INFORMATION

- This document has **4** pages.

A Level Business formulae

Absenteeism (%)	$\frac{\text{days absent per period}}{\text{total working days per period}} \times 100$
Acid test ratio	$\frac{\text{current assets} - \text{inventory}}{\text{current liabilities}}$
Added value	OR $\text{sales revenue} - \text{cost of inputs}$ $\text{price} - \text{cost of inputs per unit}$
Break-even quantity	$\frac{\text{fixed costs}}{\text{contribution per unit}}$
Capacity utilisation (%)	$\frac{\text{actual output}}{\text{maximum possible output}} \times 100$
Capital employed	Total equity + non-current liabilities
Contribution	OR $\text{revenue} - (\text{total}) \text{ variable costs}$ $\text{price} - \text{variable cost per unit}$
Current ratio	$\frac{\text{current assets}}{\text{current liabilities}}$
Defect/wastage rate (%)	$\frac{\text{defective/wasted output}}{\text{total output}} \times 100$
Employee productivity	$\frac{\text{output per period}}{\text{number of employees}}$
Employee turnover (%)	$\frac{\text{number of employees leaving during a period}}{\text{average number of employees during a period}} \times 100$
Gearing ratio (%)	$\frac{\text{non-current liabilities}}{\text{capital employed}} \times 100$
Gross profit	revenue – cost of sales
Gross profit margin (%)	$\frac{\text{gross profit}}{\text{revenue}} \times 100$
Income elasticity of demand (YED)	$\frac{\% \text{ change in quantity demanded}}{\% \text{ change in income}}$
Inventory turnover	$\frac{\text{cost of sales}}{\text{average inventory}}$
Margin of safety	sales volume – break-even quantity

Market capitalisation	Current market share price x total number of shares issued
Market growth (%)	$\frac{\text{change in the size of the market over a period}}{\text{original size of the market}} \times 100$
Market share (%) by value	$\frac{\text{revenue}}{\text{total revenue in the market}} \times 100$
Market share (%) by volume	$\frac{\text{sales volume}}{\text{total sales volume in the market}} \times 100$
Net cash flow	cash inflow per period – cash outflow per period
Operating profit	gross profit – expenses
Operating profit margin (%)	$\frac{\text{operating profit}}{\text{revenue}} \times 100$
Price elasticity of demand (PED)	$\frac{\% \text{ change in quantity demanded}}{\% \text{ change in price}}$
Productivity	$\frac{\text{output per period}}{\text{inputs in that period}}$
Profit/loss	(total) revenue – total costs
Profit for the year (net profit)	operating profit – finance costs – tax
Profit for the year (net profit) margin (%)	$\frac{\text{profit for the year (net profit)}}{\text{revenue}} \times 100$
Re-order level	(lead time per period × average usage per period) + buffer inventory
Re-order quantity	maximum inventory – buffer inventory
Return on capital employed (%)	$\frac{\text{operating profit}}{\text{capital employed}} \times 100$
Total cost	fixed costs + variable costs
(Total) (Sales) Revenue	price x quantity sold
(Total) Variable cost	variable costs per unit x quantity

Trade payable days	$\frac{\text{trade payables}}{\text{cost of sales}} \times 365 \text{ days}$ *where credit purchases are known they should be used instead of cost of sales
Trade receivable days	$\frac{\text{trade receivables}}{\text{revenue}} \times 365 \text{ days}$ *where credit sales are known they should be used instead of revenue
Unit cost	$\frac{\text{total cost}}{\text{output}}$
Variance	budgeted amount – actual amount

OCR

Oxford Cambridge and RSA

Copyright Information

OCR is committed to seeking permission to reproduce all third-party content that it uses in its assessment materials. OCR has attempted to identify and contact all copyright holders whose work is used in this paper. To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced in the OCR Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download from our public website (www.ocr.org.uk) after the live examination series.

If OCR has unwittingly failed to correctly acknowledge or clear any third-party content in this assessment material, OCR will be happy to correct its mistake at the earliest possible opportunity.

For queries or further information please contact The OCR Copyright Team, The Triangle Building, Shaftesbury Road, Cambridge CB2 8EA.

OCR is part of the Cambridge Assessment Group; Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.