

AS Level Business (H036)

Sample Formula Booklet



INSTRUCTIONS

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

INFORMATION

- This document has **4** pages.

AS Level Business formulae

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 (%)		$\frac{\text{actual output}}{\text{maximum possible output}} \times 100$
Contribution	OR	$\text{revenue} - (\text{total}) \text{ variable costs}$ $\text{price} - \text{variable cost per unit}$
Current ratio		$\frac{\text{current assets}}{\text{current liabilities}}$
Gross profit		$\text{revenue} - \text{cost of sales}$
Gross profit margin (%)		$\frac{\text{gross profit}}{\text{revenue}} \times 100$
Income elasticity of demand (YED)		$\frac{\% \text{ change in quantity demanded}}{\% \text{ change in income}}$
Margin of safety		$\text{sales volume} - \text{break-even quantity}$
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		$\frac{\text{sale volume}}{\text{total sales volume in the market}} \times 100$
Net cash flow		$\text{cash inflow per period} - \text{cash outflow per period}$
Operating profit		$\text{gross profit} - \text{expenses}$
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 (interest and tax)
Profit for the year (net profit) margin	$\frac{\text{profit for the year (net profit)}}{\text{revenue}} \times 100$
Total cost	fixed costs + variable costs
(Total) (Sales) Revenue	price x quantity sold
(Total) Variable cost	variable costs per unit x quantity
Unit cost	$\frac{\text{total cost}}{\text{output}}$
Variance	budgeted amount – actual amount



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