

Gross profit margin

The answer given may vary depending on where the sale of assets account has been put in the nominal ledger. The mark should be awarded for this if the gross profit margin has been correctly calculated as: $\text{Gross profit} / \text{Sales} \times 100$ as per the Profit and Loss report generated.

Using the reports generated in this example, this would be either:

$$23956 / 33896 \times 100 = 70.68\%$$

$$23956 / 34471 \times 100 = 69.50\%$$

If the learner has accounted for the other sales and sales promotion expenses in a different way and removed these from the calculation, credit is still to be given for this calculation and the learner will not be penalised.