

Calculation for Gross Profit and Gross Profit %

Summary:

Calculation for Gross Profit and Gross Profit %

How is gross profit calculated on the Merchandise Analysis and Inventory Analysis reports?

Solution:

Gross Profit Percent (also called Gross Margin) shows the percentage of sale dollars that is profit. The formula for Gross Profit % = $(\text{Sales} - \text{Cost} / \text{Sales}) * 100$.

Sales - Cost is the Gross Profit dollar amount on the reports.

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