

## Small Business Financial Formulas

<b>Sales - Cost of Goods (COG )</b>	=	<b>Gross Profit</b>
Example: \$5.00 - \$1.00	=	\$4.00

<b>Gross Profit ÷ Sales</b>	=	<b>Gross Profit (GP) Margin</b>
Example: \$4.00 ÷ \$5.00	=	80% or .80

<b>Expense ÷ Gross Profit Margin</b>	=	<b>Breakeven (\$ Sales)</b>
Example: \$3,000 ÷ 80% (.80)	=	\$3,750

<b>Sales x GP Margin Percentage</b>	=	<b>Gross Profit</b>
Example: \$3,750 x 80% (.80)	=	\$3,000

**To find the average, add up the items and divide by the total number of items:**

Example:		\$1,250
		\$3,750
		\$1,100
		\$1,467
		\$8,765
Total:		\$16,332
Average:		\$16,332 ÷ 5 Items = \$3,266.40

### Sample Decimals and Percentages

Examples:					
	.02 =	2% =		2/100	
	.073 =	7.3% =		73/1000	
	.25 =	25% =		25/100	
	.385 =	38.5% =		385/1000	
	1.25 =	125% =		125/100	
	.3 =	30% =		3/10	
	.03 =	3% =		3/100	
	.003 =	0.3% =		3/1000	