

Name:

B-05.11

Date:

Section:

Morton Corporation

Sales returns rate:

Gross profit margin

Net profit margin

Skyline Corporation

Sales returns rate:

Gross profit margin

Net profit margin

Morton

Skyline

10% increase in net sales

Net sales (\$926,958 X 110%)

Cost of goods sold

Gross profit (net sales X gross profit margin)

SG&A

Income before taxes

Income tax expense (25%)

Net income

10% decrease in net sales

Net sales (\$926,958 X 90%)

Cost of goods sold

Gross profit (net sales X gross profit margin)

SG&A

Income before taxes

Income tax expense (25%)

Net income