Morton Corporation

Sales returns rate:
Gross profit margin
Net profit margin

Skyline Corporation

Sales returns rate:
Gross profit margin
Net profit margin

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