

Morton Corporation

Sales returns rate:
 Gross profit margin
 Net profit margin

Skyline Corporation

Sales returns rate:
 Gross profit margin
 Net profit margin

	<u>Morton</u>	<u>Skyline</u>
<u>10% increase in net sales</u>		
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		
<u>10% decrease in net sales</u>		
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		