

## QUESTION BANK

07/2016

### Question 13.10 (p86) and Answer on p.135

The question states 'What is the correct mark up figure if the gross profit margin is 60%?'

The question should state "What is the correct **margin** figure if the gross profit **mark up** is 60%?'

The subsequent answer on p.135 will then also be rephrased (the calculation is correct but the terms are switched around):

Answer is B: If	Sales	160%
	Cost of sales	<u>100%</u>
	<b>Mark up</b>	<u>60%</u>

Then the **margin** will be  $60/160 = 0.375$  or 37.5%

Margin is calculated on the sales figure, mark up is calculated on the cost of sales figure.