

Departmental Gross Profit Calculation Format

Company Name: _____

Department: _____

For the Period: _____

Description	Amount (in currency)
Sales	
Gross Sales	_____
Less: Sales Returns	_____
Less: Discounts Allowed	_____
Net Sales (A)	_____
Cost of Goods Sold	
Opening Stock	_____
Add: Purchases	_____
Less: Purchases Returns	_____
Add: Direct Expenses (Freight, Wages, etc.)	_____
Less: Closing Stock	_____
Total Cost of Goods Sold (B)	_____
Gross Profit (A - B)	_____

Important Notes:

- Ensure that all amounts are recorded accurately for the relevant department.
- Include only direct costs and sales related to the department under review.
- Gross profit serves as a critical metric for assessing departmental performance before indirect expenses.
- Supporting documentation should be maintained for all sales and cost entries.
- Regular reconciliation of stock figures is recommended to ensure accuracy.