

Introduction to Profit Analysis

1. Purpose

This document provides a structured overview of profit analysis, outlining components, data, and methods for evaluating business profitability.

2. Profit Analysis Summary

Item	Amount (USD)
Total Revenue	150,000
Cost of Goods Sold (COGS)	90,000
Gross Profit	60,000
Operating Expenses	25,000
Operating Profit	35,000
Other Expenses	8,000
Net Profit	27,000

3. Key Ratios

Ratio	Formula	Result
Gross Profit Margin	Gross Profit / Revenue	40%
Operating Profit Margin	Operating Profit / Revenue	23.3%
Net Profit Margin	Net Profit / Revenue	18%

4. Analysis & Insights

The net profit for this period stands at \$27,000, resulting in an 18% net profit margin. Key contributors to profitability are controlled operating expenses and a robust gross margin. However, monitoring other expenses is recommended to ensure ongoing financial health.

Important Notes

- Figures presented are for illustrative purposes and may not reflect actual results.
- Profit analysis should be reviewed periodically to inform strategic decisions.
- All major categories of income and expense must be clearly identified and accurately recorded.
- Comparative analysis with previous periods can provide additional insights.
- This document is a summary; detailed breakdowns may be necessary for in-depth analysis.