

Paul Robbins training and consultancy

Work Effectively in Finance – Lesson 2

Calculate the Percentage of One Number in Relation to Another Number

Class Exercise Model Answer

A delivery company is reviewing its costs following a fuel price increase:

Wages	£83,000
Office Costs	£14,000
Vehicle Maintenance Costs	£24,000
Fuel	£16,500

Question 1

What percentage of the company's total costs is spent on fuel?

Total costs = £137,500

Fuel costs = £16,500

$£16,500 / £137,500 \times 100 = 12\%$

Therefore 12% of the company's total costs is spent on fuel.

A business has Sales of £324,000 and makes a Gross Profit of £81,000 and a Net Profit of £16,200

Question 2

What is the Gross Profit of the business as a percentage of Sales?

$£81,000 / £324,000 \times 100 = 25\%$

Question 3

What is the Net Profit of the business as a percentage of Sales?

$£16,200 / £324,000 \times 100 = 5\%$