

Net Profit or Loss**Multiple Choice**

Identify the choice that best completes the statement or answers the question.

- _____ 1. Marking up products covers overhead. When markup is greater than overhead, there is a profit. When markup is less than overhead, there is a loss.

$$\text{Net Profit} = \text{Markup} - \text{Overhead}$$

$$\text{Net Loss} = \text{Overhead} - \text{Markup}$$

Item	Selling Price	Cost	Markup	Overhead
Widget 1	\$50.98	\$15.72	\$35.26	\$24.67
Widget 2	57.54	23.36	34.18	24.92
Widget 3	32.81	13.65	19.16	13.14
Widget 4	29.31	24.13	5.18	14.59

Which item has a net profit of \$10.59?

- a. Widget 3
b. Widget 4
c. Widget 1
d. Widget 2
- _____ 2. Marking up products covers overhead. When markup is greater than overhead, there is a profit. When markup is less than overhead, there is a loss.

$$\text{Net Profit} = \text{Markup} - \text{Overhead}$$

$$\text{Net Loss} = \text{Overhead} - \text{Markup}$$

Item	Selling Price	Cost	Markup	Overhead
Widget 1	\$21.65	\$11.26	\$10.39	\$15.63
Widget 2	29.35	11.71	17.64	13.17
Widget 3	30.84	7.68	23.16	16.45
Widget 4	16.49	10.93	5.56	9.34

Which item has a net profit of \$4.47?

- a. Widget 2
b. Widget 4
c. Widget 3
d. Widget 1

- _____ 3. Marking up products covers overhead. When markup is greater than overhead, there is a profit. When markup is less than overhead, there is a loss.

$$\text{Net Profit} = \text{Markup} - \text{Overhead}$$

$$\text{Net Loss} = \text{Overhead} - \text{Markup}$$

Item	Selling Price	Cost	Markup	Overhead
Widget 1	\$47.55	\$26.45	\$21.10	\$27.72
Widget 2	59.43	24.86	34.57	26.56
Widget 3	43.68	24.87	18.81	26.19
Widget 4	29.35	14.58	14.77	22.42

Which item has a net loss of \$7.38?

- a. Widget 1
b. Widget 2
c. Widget 3
d. Widget 4
- _____ 4. Marking up products covers overhead. When markup is greater than overhead, there is a profit. When markup is less than overhead, there is a loss.

$$\text{Net Profit} = \text{Markup} - \text{Overhead}$$

$$\text{Net Loss} = \text{Overhead} - \text{Markup}$$

Item	Selling Price	Cost	Markup	Overhead
Widget 1	\$20.60	\$8.32	\$12.28	\$7.29
Widget 2	13.64	11.89	1.75	6.26
Widget 3	24.25	12.67	11.58	6.89
Widget 4	18.53	14.20	4.33	9.29

Which item has a net loss of \$4.96?

- a. Widget 1
b. Widget 2
c. Widget 3
d. Widget 4

5. Marking up products covers overhead. When markup is greater than overhead, there is a profit. When markup is less than overhead, there is a loss.

$$\text{Net Profit} = \text{Markup} - \text{Overhead}$$

Net Loss = Overhead - Markup

Item	Selling Price	Cost	Markup	Overhead
Widget 1	\$92.87	\$41.55	\$51.32	\$37.04
Widget 2	90.82	47.21	43.61	28.47
Widget 3	45.74	26.47	19.27	29.92
Widget 4	59.64	46.13	13.51	23.91

Which item has a net profit of \$14.28?

- a. Widget 3 c. Widget 1
b. Widget 4 d. Widget 2

6. Marking up products covers overhead. When markup is greater than overhead, there is a profit. When markup is less than overhead, there is a loss.

$$\text{Net Profit} = \text{Markup} - \text{Overhead}$$

$$\text{Net Loss} = \text{Overhead} - \text{Markup}$$

Item	Selling Price	Cost	Markup	Overhead
Widget 1	\$46.20	\$13.50	\$32.70	\$21.71
Widget 2	17.55	15.57	1.98	13.60
Widget 3	30.25	25.15	5.10	16.72
Widget 4	23.70	12.21	11.49	22.16

Which item has a net loss of \$11.62?

- a. Widget 3
- b. Widget 2
- c. Widget 4
- d. Widget 1

7. Marking up products covers overhead. When markup is greater than overhead, there is a profit. When markup is less than overhead, there is a loss.

$$\text{Net Profit} = \text{Markup} - \text{Overhead}$$

Net Loss = Overhead - Markup

Item	Selling Price	Cost	Markup	Overhead
Widget 1	\$18.54	\$7.95	\$10.59	\$6.82
Widget 2	17.71	10.93	6.78	9.59
Widget 3	21.40	9.60	11.80	8.49
Widget 4	26.27	11.15	15.12	11.45

Which item has a net profit of \$3.31?

- a. Widget 3 c. Widget 1
b. Widget 2 d. Widget 4

8. Marking up products covers overhead. When markup is greater than overhead, there is a profit. When markup is less than overhead, there is a loss.

$$\text{Net Profit} = \text{Markup} - \text{Overhead}$$

$$\text{Net Loss} = \text{Overhead} - \text{Markup}$$

Item	Selling Price	Cost	Markup	Overhead
Widget 1	\$32.91	\$15.53	\$17.38	\$23.49
Widget 2	24.58	15.00	9.58	15.00
Widget 3	41.83	11.84	29.99	23.06
Widget 4	37.78	14.88	22.90	14.81

Which item has a net profit of \$6.93?

- a. Widget 3
- b. Widget 4
- c. Widget 2
- d. Widget 1

**Net Profit or Loss
Answer Section**

MULTIPLE CHOICE

- | | |
|-----------|--------|
| 1. ANS: C | PTS: 1 |
| 2. ANS: A | PTS: 1 |
| 3. ANS: C | PTS: 1 |
| 4. ANS: D | PTS: 1 |
| 5. ANS: C | PTS: 1 |
| 6. ANS: B | PTS: 1 |
| 7. ANS: A | PTS: 1 |
| 8. ANS: A | PTS: 1 |

