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.

Net Profit = Markup - Overhead

Net Loss = Overhead - Markup

Item	Selling Price	Cost	Markup	Overhead
Widget 1	$20.31	$13.15	$7.16	$13.90
Widget 2	32.65	12.06	20.59	11.71
Widget 3	33.83	19.25	14.58	20.46
Widget 4	37.09	20.70	16.39	22.88

Which item has a net loss of $6.74?

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

____ 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.

Net Profit = Markup - Overhead

Net Loss = Overhead - Markup

Item	Selling Price	Cost	Markup	Overhead
Widget 1	$50.77	$35.30	$15.47	$30.17
Widget 2	59.15	37.44	21.71	31.55
Widget 3	43.13	38.34	4.79	17.26
Widget 4	40.98	25.93	15.05	30.58

Which item has a net loss of $12.47?

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

____ 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.

Net Profit = Markup - Overhead

Net Loss = Overhead - Markup

Item	Selling Price	Cost	Markup	Overhead
Widget 1	$20.95	$15.36	$5.59	$12.04
Widget 2	20.64	14.75	5.89	12.73
Widget 3	28.88	16.91	11.97	8.18
Widget 4	26.76	8.46	18.30	12.35

Which item has a net profit of $3.79?

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

____ 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.

Net Profit = Markup - Overhead

Net Loss = Overhead - Markup

Item	Selling Price	Cost	Markup	Overhead
Widget 1	$13.19	$11.36	$1.83	$4.99
Widget 2	17.12	10.97	6.15	10.22
Widget 3	17.93	10.70	7.23	10.58
Widget 4	10.46	6.84	3.62	7.45

Which item has a net loss of $3.16?

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

____ 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.

Net Profit = Markup - Overhead

Net Loss = Overhead - Markup

Item	Selling Price	Cost	Markup	Overhead
Widget 1	$33.28	$18.16	$15.12	$22.41
Widget 2	48.81	30.39	18.42	28.34
Widget 3	58.89	31.05	27.84	20.47
Widget 4	59.36	23.28	36.08	29.00

Which item has a net loss of $7.29?

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

____ 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.

Net Profit = Markup - Overhead

Net Loss = Overhead - Markup

Item	Selling Price	Cost	Markup	Overhead
Widget 1	$67.28	$36.05	$31.23	$40.38
Widget 2	88.86	38.11	50.75	33.92
Widget 3	101.77	41.48	60.29	42.65
Widget 4	61.47	34.55	26.92	43.29

Which item has a net loss of $9.15?

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

____ 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.

Net Profit = Markup - Overhead

Net Loss = Overhead - Markup

Item	Selling Price	Cost	Markup	Overhead
Widget 1	$28.38	$12.69	$15.69	$12.63
Widget 2	11.09	6.19	4.90	9.04
Widget 3	10.16	6.59	3.57	8.33
Widget 4	22.61	10.54	12.07	8.64

Which item has a net loss of $4.76?

a. Widget 2   c. Widget 3
b. Widget 1   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.

Net Profit = Markup - Overhead

Net Loss = Overhead - Markup

Item	Selling Price	Cost	Markup	Overhead
Widget 1	$68.14	$24.76	$43.38	$31.47
Widget 2	47.31	32.17	15.14	24.40
Widget 3	25.01	18.56	6.45	17.35
Widget 4	51.01	21.30	29.71	17.87

Which item has a net loss of $9.26?

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

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Net Profit or Loss
Answer Section

MULTIPLE CHOICE

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