


# **GROSS SALES, NET SALES AND INCOME**

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*Why do you need to regularly count the total volume of sales made?* This is a very important indicator that can demonstrate an increase in total sales.

So the businessman or salesman, accountant, can be seen on the counting results as the company grew, or, on the contrary, sales have fallen.



The owner of the business can be counted on the results of the sales to see if the business is successful in his business or has a problem with trade and something needs to be taken so as not to have to close the failing company.



## Net and gross sales

Sales volume is gross and net.  
Consider first of all need to gross  
profit.





**GROSS** - is the total amount of sales, which is done for a certain period of time. These accrued and sales that have been made on credit in a certain period. Evaluate all sales should be at full price, ie the price, respectively, specified in the counting invoices. All prices that have been made to customers during this period, it is not necessary to take into account. Also, it does not include the amount of purchases that have been returned by buyers, sold at a lower price, and other amendments.




**NET SALES REPRESENTS** - the same total volume, only because it is necessary to subtract all the benefits and discounts that the company has made to its customers. Also, do not forget to subtract from the gross amount of the total amount of the goods that buyers returned. It is net of all sales clearly shows the effectiveness of the trade and gives forecasts for the company's development in the future.



# CALCULATION FORMULA

*There are several formulas that are used for various calculations:*

- ❑ **Gross formula is as follows:** From the total revenue for a particular period subtracted the sum value of all goods sold or services.
- ❑ **To calculate losses and gains, that is, the implementation is carried out the following calculation:** From the gross profit margin deducted costs. What is the cost? These are expenses that were spent for management and commerce.

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- ❑ **Loss before tax and profit:** From the sales profits subtract or add to it revenues and operating expenses. To all added or subtracted costs is implemented.
  - ❑ **For the calculation of net income or loss is necessary:** to the revenue and cost of goods costs (they include selling and administrative expenses) and minus other costs and taxes.
  - ❑ **To calculate the total income should be:** From the proceeds take the purchase price of the goods (services)



# INCOM E

**Income** - money or goods received by the State, person or entity as a result of any activity for a certain period of time

**Income** - any cash inflow or receipt of material assets that have monetary value, without debt growth. Often used the phrase "net income" represents the difference between the total, gross income and expenses.

**The income does not include amounts received in the duty collected on behalf of third parties, such as taxes. When mediation income ratio is the amount of commission, rather than the gross cash flow.**



Thank you  
for your  
attention

