

eCourse Outline

Understanding Your Financial Statements - Your Income Statement

1. Your Income Statement

- a. Sales minus costs of goods sold / Gross Profit Margin minus operating expenses / Net Income
- b. Costs to produce products sold to customers
 - i. Inventory
 - ii. Ingredients
 - iii. Packaging
- c. Amount paid to hourly employees
 - i. Kitchen staff
 - ii. Manufacturing operators
 - iii. Sales clerks
- d. Costs of goods sold for a service business
- e. Gross Profit Margin
 - i. Track COGS vs. sales
 - ii. Optimize pricing and discounts
 - iii. Cover operating expenses
- f. Operating expenses
 - i. Variable expenses
 - ii. Fixed expenses
- g. Gross Profit Margin minus Total Operating Expenses / Net Income from operations
- h. Other expenses
- i. Net Income from operations plus other income minus other expenses / Net Profit (loss) before taxes
- j. Taxes (federal, state)
- k. Net Profit (loss) before taxes minus Taxes (federal, state) / Net Profit (loss) after taxes
- l. Net Profit (loss) after taxes
- m. What your income statement tells you
- n. Creating an income statement

o. Summary

- i. Get the full picture
- ii. Income statement
- iii. Cash flow statement
- iv. Balance sheet