

Task 2
 You are required to compare the results with its major competitor Jay plc for the year just ended.
 Information about Eye and Jay for the year just ended.

PRICES REVENUES 3 188

Statement of Profit or Loss

	Eye	Jay
Sales revenue	£000	£000
Cost of production	36,000	57,200
Cost (raw) materials		
Direct labour		
Fixed production overheads	8,000	13,650
Total cost of production	7,200	11,375
Gross profit	5,000	9,000
Selling and distribution costs	20,200	34,025
Administration costs	15,800	23,175
Advertising costs	4,000	7,100
Net profit	3,250	4,800
	4,200	5,500
	4,350	5,775

Other information

	Units	Eye	Jay
Number of units sold	(£000)	4,000,000	6,500,000
Net assets		65,000	95,000

Calculate the performance indicators to complete the following table for Eye Ltd and Jay plc:
 answers to two decimal places.

	Eye Ltd	Jay plc
price per unit		
material cost per unit		
hour cost per unit		
production overheads per unit		
profit margin		
margin		
return on cost as % of turnover		
net assets		