This guide will serve as a complete list of all formulas for IGCSE Business Studies.

Revenue:
Formula: Revenue = Quantity Sold × Price
Measures the total income generated from selling goods or services, calculated by multiplying the quantity sold by the price per unit.

Productivity:
Formula: Productivity = Output ÷ Quantity of Input
Shows how efficiently resources are used, found by dividing the total output by the quantity of input used in production.

Labor Productivity:
Formula: Labor Productivity = Output ÷ Number of Employees
Assesses how efficiently labor is used, calculated by dividing total output by the number of employees.

Working Capital:
Formula: Working Capital = Current Assets − Current Liabilities
Indicates the short-term financial health of a business, showing the difference between current assets and current liabilities.

Capital Employed (or Shareholder's funds):
Formula: Capital Employed = Total Assets − Total Liabilities
Represents the total capital invested in the business, calculated as total assets minus total liabilities.

Profit:
Formula: Profit = Revenue − Cost of Sales
Measures the financial gain from business activities, found by subtracting the cost of sales from total revenue.

Profit (from Break-even graph):
Formula: Profit = Total Revenue − Total Costs
Shows how much profit is made after covering all costs, calculated by subtracting total costs from total revenue.

Total Costs:
Formula: Total Costs = Fixed Costs + Variable Costs
The overall expenses to produce goods or services, determined by adding fixed costs to variable costs.

Average Cost:
Formula: Average Cost = Total Costs ÷ Total Units Produced
Shows the cost per unit produced, calculated by dividing total costs by the number of units produced.

Break-even Point:
Formula: Break-even Point = Fixed Costs ÷ Contribution per Unit

The point where a business covers its fixed costs, calculated as fixed costs divided by the contribution per unit.

Contribution per Unit:
Formula: Contribution per Unit = Selling Price − Variable Costs
Measures the profit made on each unit sold after deducting variable costs from the selling price.

Margin of Safety:
Formula: Margin of Safety = Maximum Output − Break-even Output
Indicates how much actual production exceeds the break-even point, providing a buffer before losses start.

Gross Profit:
Formula: Gross Profit = Revenue − Cost of Sales
Shows the profit from sales after deducting the cost of goods sold (direct costs).

Gross Profit Margin:
Formula: Gross Profit Margin = (Gross Profit ÷ Revenue) × 100
Expresses the gross profit as a percentage of revenue, showing profitability before other expenses.

Net Profit:
Formula: Net Profit = Gross Profit − Expenses
Represents the total profit after all expenses, both fixed and variable, are deducted from gross profit.

Net Profit Margin:
Formula: Net Profit Margin = (Net Profit ÷ Revenue) × 100
Indicates how much of the revenue remains as profit after all expenses, expressed as a percentage.

Return on Capital Employed (ROCE):
Formula: ROCE = (Net Profit ÷ Capital Employed) × 100
Shows how efficiently the company generates profit from its capital investments.

Current Ratio:
Formula: Current Ratio = Current Assets ÷ Current Liabilities
A liquidity measure that compares current assets to current liabilities to assess the ability to meet short-term obligations.

Acid Test Ratio (or Quick Ratio):
Formula: Acid Test Ratio = (Current Assets − Inventory) ÷ Current Liabilities
A stricter liquidity measure that excludes inventory from assets to assess whether a company can meet short-term liabilities without selling inventory.