|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | 2012 | Percentage | 2011 | Percentage |
| Sales |  31,850,000  | 100.00% |  26,130,000  | 100.00% |
| COGS |  22,503,250  | 70.65% |  20,059,800  | 76.77% |
|  Gross profit |  9,346,750  | 29.35% |  6,070,200  | 23.23% |
| Operating expenses |   |   |   |   |
| Selling commission |  2,548,000  | 8.00% |  2,090,400  | 8.00% |
| Other selling |  2,500,000  | 7.85% |  2,500,000  | 9.57% |
| Administrative expense |  3,578,000  | 11.23% |  3,578,000  | 13.69% |
|  Operating expenses |  8,626,000  | 27.08% |  8,168,400  | 31.26% |
| Operating income |  720,750  | 2.26% |  (2,098,200) | -8.03% |

|  |  |  |
| --- | --- | --- |
|  | **2012** | **2011** |
| **Units sold** | **1,400,000**  | **1,050,000**  | **1,400,000**  | **610,000**  |
| **Product costs** | **Black** | **Specialty** | **Black** | **Specialty** |
| **Direct material** |  **4.10**  |  **4.10**  |  **4.10**  | **4.10**  |
| **Direct labor** | **1.50**  |  **1.50**  |  **1.50**  | **1.50**  |
| **Overhead** | **3.59**  |  **3.59**  |  **4.38**  | **4.38**  |
| **Unit cost** | **9.19**  |  **9.19**  |  **9.98**  | **9.98**  |

**Information relating to January operations**

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