ABC Company Income Statement for 1998

1. Sales…………………………………………………3,000,000

2. Cost of Goods Sold………………………………2,100,000

3. Gross Profits……………………………………….900,000

4. Selling and admin expense………………….450,000

5. Depreciation expense…………………………..

6. Operating profit (EBIT)………………………….450,000

7. Interest expense…………………………………….75,000

8. Earnings before taxes (EBT)……………………………375,000

9. Taxes………30%…………………………………………………112,500

10. Earnings after taxes (EAT)………………………………….262,500

What is the method for computing the profit margin for 1998?

If sales in 1999 increase by 10% and cost of goods sol increases by 25%, would this company be able to keep all expenses the same? How would I find the profit margin and income for the next year?