

## Chapter 12

### Activity 1: P&L Review

#### Review the P&L

- Discuss
- Identify numbers
- come up with plan to address concerns

#### Discussion

1. How will you use the p&L to manage the store?
2. Why is the p&L important?
3. Who is responsible for the P&L?
4. How does the P&L help you manage and control costs?
5. The P&L is also known as an Income and Expense statement. Why is this?
6. What is the difference between gross and net profitability?  
**Gross is total sales; net is gross sales minus cost of goods sold.**
7. What is the difference between a fixed and variable expense?  
**Fixed expenses are the same each month (like rent); variable expenses change often--like the price of oranges.**