

Qualification accredited

Sample assessment material

A Level

Business

Cambridge OCR Level 3 Advanced GCE in Business

H436 Formulae Booklet

Version 1.0 | January 2026

ocr.org.uk/business

Introduction

This sample assessment material (SAM) is an example exam paper published alongside the specification. It's designed to show the style and structure you can expect from our question papers.

As the qualification develops, we may update the question paper template. To make sure you're working with the most up-to-date information, we recommend using the latest set of past papers where possible.

To help you get the most from this SAM, we also provide two supporting resources:

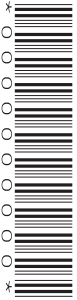
- **Assessment story** – this explains the research behind the qualification and how feedback from teachers, students and schools has shaped our assessment approach.
- **Annotated SAMs** – these guide you through the key features of the assessment and highlight the different types of questions students will encounter in the exam.

Summary of updates

| Section | Change | Version | Date |
|---------|---|---------|--------------|
| - | Creation of sample assessment material. | 1.0 | January 2026 |



A Level Business (H436) Formulae Booklet



INSTRUCTIONS

- Do **not** send this Formulae Booklet for marking. Keep it in centre or recycle it.

INFORMATION

- This document has **4** pages.

A Level Business formulae

| | |
|-----------------------------------|--|
| Absenteeism (%) | $\frac{\text{days absent per period}}{\text{total working days per period}} \times 100$ |
| Acid test ratio | $\frac{\text{current assets} - \text{inventory}}{\text{current liabilities}}$ |
| Added value | OR $\frac{\text{sales revenue} - \text{cost of inputs}}{\text{price} - \text{cost of inputs per unit}}$ |
| Break-even quantity | $\frac{\text{fixed costs}}{\text{contribution per unit}}$ |
| Capacity utilisation (%) | $\frac{\text{actual output}}{\text{maximum possible output}} \times 100$ |
| Capital employed | Total equity + non-current liabilities |
| Contribution | OR $\frac{\text{revenue} - (\text{total}) \text{ variable costs}}{\text{price} - \text{variable cost per unit}}$ |
| Current ratio | $\frac{\text{current assets}}{\text{current liabilities}}$ |
| Defect/wastage rate (%) | $\frac{\text{defective/wasted output}}{\text{total output}} \times 100$ |
| Employee productivity | $\frac{\text{output per period}}{\text{number of employees}}$ |
| Employee turnover (%) | $\frac{\text{number of employees leaving during a period}}{\text{average number of employees during a period}} \times 100$ |
| Gearing ratio (%) | $\frac{\text{non-current liabilities}}{\text{capital employed}} \times 100$ |
| Gross profit | revenue – cost of sales |
| Gross profit margin (%) | $\frac{\text{gross profit}}{\text{revenue}} \times 100$ |
| Income elasticity of demand (YED) | $\frac{\% \text{ change in quantity demanded}}{\% \text{ change in income}}$ |
| Inventory turnover | $\frac{\text{cost of sales}}{\text{average inventory}}$ |
| Margin of safety | sales volume – break-even quantity |

| | |
|---|---|
| Market capitalisation | Current market share price x total number of shares issued |
| Market growth (%) | $\frac{\text{change in the size of the market over a period}}{\text{original size of the market}} \times 100$ |
| Market share (%) by value | $\frac{\text{revenue}}{\text{total revenue in the market}} \times 100$ |
| Market share (%) by volume | $\frac{\text{sales volume}}{\text{total sales volume in the market}} \times 100$ |
| Net cash flow | cash inflow per period – cash outflow per period |
| Operating profit | gross profit – expenses |
| Operating profit margin (%) | $\frac{\text{operating profit}}{\text{revenue}} \times 100$ |
| Price elasticity of demand (PED) | $\frac{\% \text{ change in quantity demanded}}{\% \text{ change in price}}$ |
| Productivity | $\frac{\text{output per period}}{\text{inputs in that period}}$ |
| Profit/loss | (total) revenue – total costs |
| Profit for the year (net profit) | operating profit – finance costs – tax |
| Profit for the year (net profit) margin (%) | $\frac{\text{profit for the year (net profit)}}{\text{revenue}} \times 100$ |
| Re-order level | (lead time per period × average usage per period) + buffer inventory |
| Re-order quantity | maximum inventory – buffer inventory |
| Return on capital employed (%) | $\frac{\text{operating profit}}{\text{capital employed}} \times 100$ |
| Total cost | fixed costs + variable costs |
| (Total) (Sales) Revenue | price x quantity sold |
| (Total) Variable cost | variable costs per unit x quantity |

Trade payable days $\frac{\text{trade payables}}{\text{cost of sales}} \times 365 \text{ days}$
*where credit purchases are known they should be used instead of cost of sales

Trade receivable days $\frac{\text{trade receivables}}{\text{revenue}} \times 365 \text{ days}$
*where credit sales are known they should be used instead of revenue

Unit cost $\frac{\text{total cost}}{\text{output}}$

Variance budgeted amount – actual amount

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