

Finance Guide I: Determination of Job Profitability or Loss

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National Association of Elevator Contractors



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About this Study Guide

This guide is intended to supplement your individualized Skillsoft learning by providing materials and examples specific to the vertical transport industry.

The learning objective for this section is for the student to be able to review a job cost report and determine its profitability or loss. This study guide provides an example of each.

Information included in this study guide is intended for educational purposes only. Check with your company for specific guidelines.

Job Cost with Profit

OBJECTIVE #1		XYZ ELEVATOR CO.	
		JOB COST	
MATERIALS	ACTUAL COST	ACTUAL REVENUE	(\$) DIFFERENCE
ELEVATOR MACHINE PKG	\$ 14,275.00	\$ 18,985.75	\$ 4,710.75
ELEVATOR CONTROLLER	\$ 15,000.00	\$ 19,950.00	\$ 4,950.00
ELEVATOR HOISTWAY PKG	\$ 26,000.00	\$ 34,580.00	\$ 8,580.00
ELEVATOR SIGNALS	\$ 4,950.00	\$ 6,583.50	\$ 1,633.50
ELEVATOR DOOR OPERATOR	\$ 5,120.00	\$ 6,809.60	\$ 1,689.60
ELEVATOR CAB	\$ 9,570.00	\$ 12,728.10	\$ 3,158.10
ELEVATOR ENTRANCES	\$ 9,660.00	\$ 12,847.80	\$ 3,187.80
ELEVATOR MISCELLANEOUS	\$ 4,220.00	\$ 5,612.60	\$ 1,392.60
		\$ -	\$ -
TOTAL MATERIAL	\$ 88,795.00	\$ 118,097.35	\$ 29,302.35
		\$ -	\$ -
		\$ -	\$ -
LABOR		\$ -	\$ -
		\$ -	\$ -
		\$ -	\$ -
DIRECT LABOR COST	\$ 42,000.00	\$ 55,860.00	\$ 13,860.00
INDIRECT LABOR COST		\$ -	\$ -
TRAVEL EXPENSE	\$ 4,100.00	\$ 5,453.00	\$ 1,353.00
ZONE EXPENSE	\$ 4,800.00	\$ 6,384.00	\$ 1,584.00
PENSION	\$ 3,600.00	\$ 4,788.00	\$ 1,188.00
WELFARE	\$ 2,800.00	\$ 3,724.00	\$ 924.00
		\$ -	\$ -
TOTAL LABOR COST	\$ 57,300.00	\$ 76,209.00	\$ 18,909.00
		\$ -	\$ -
MISC CHARGES		\$ -	\$ -
SHIPPING PERMIT, FEES	\$ 5,500.00	\$ 7,315.00	\$ 1,815.00
SALES & USE TAX	\$ 5,328.00	\$ 7,086.24	\$ 1,758.24
		\$ -	\$ -
TOTAL MISC CHARGES	\$ 10,828.00	\$ 14,401.24	\$ 3,573.24
		\$ -	\$ -
TOTALS	\$ 156,923.00	\$ 208,707.59	\$ 51,784.59
MARK UP			0.33
GROSS PROFIT MARK UP			33%

Job Cost with Loss

OBJECTIVE 2		XYZ ELEVATOR CO.		
		JOB COST		
MATERIALS	ACTUAL COST	ACTUAL REVENUE	(\$) DIFFERENCE	
ELEVATOR MACHINE PKG	12000	14400	2400	
ELEVATOR CONTROLLER	9200	11040	1840	
ELEVATOR HOISTWAY PKG	15000	18000	3000	
ELEVATOR SIGNALS	2950	3540	590	
ELEVATOR DOOR OPERATOR	3680	4416	736	
ELEVATOR CAB	5900	7080	1180	
ELEVATOR ENTRANCES	4250	5100	850	
ELEVATOR MISCELLANEOUS	3600	4320	720	
		0	0	
TOTAL MATERIAL	56580	67896	11316	
			0	
			0	
LABOR			0	
			0	
DIRECT LABOR COST	28500	17100	-11400	
INDIRECT LABOR COST		0	0	
TRAVEL EXPENSE	2500	1500	-1000	
ZONE EXPENSE	1300	780	-520	
PENSION	1900	1140	-760	
WELFARE	1650	990	-660	
		0	0	
TOTAL LABOR COST	35850	21510	-14340	
			0	
MISC CHARGES			0	
SHIPPING PERMIT, FEES	1500	2100	600	
SALES & USE TAX	3395	4243.75	848.75	
		0	0	
TOTAL MISC CHARGES	4895	6343.75	1448.75	
		0	0	
TOTALS	97325	95749.75	-1575.25	
GROSS PROFIT			-0.016	
			-1.60%	