

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](https://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
Covers	Creation of SAM wrapper pages	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

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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

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

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Variance budgeted amount – actual amount

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