

Answer on Question #77367 – Math – Algebra

Question

ABC Corporation, a large software developer, is involved in the creation and sales of custom billing software for companies. The figure shows their quarterly sales figures for the last four years. The company's profit is its total sales minus the cost of pay for salespeople and typical business costs. If salespeople earn 10% of their sales in pay and typical business costs account for 20% of the value of each sale, how much more profit was earned in 2010 than in 2007?

Solution

Profit in 2007: $14.5+18+16.5+13 = 62$ million dollars , cost = $20\%+10\% = 30\%$.

Net profit in 2007: $62*(1-0.3) = 43.4$ million dollars.

Profit in 2010: $15.5+21+16+15.5 = 68$ million dollars , cost = $20\%+10\% = 30\%$.

Net profit in 2010: $68*(1-0.3) = 47.6$ million dollars.

$(\text{Profit in 2010} - \text{Profit in 2007}) = 47.6-43.4=4.2$ million dollars.

4.2 million dollars more profit was earned in 2010 than in 2007.

Answer: 4.2 million dollars.