

## CHAPTER II.

### COST AND PROFIT, BY ESTABLISHMENTS.

The schedules used for the collection of data showed the various items of the cost of production. The principal divisions of costs were for raw material, direct labor, indirect labor, factory expense, administrative expense, and selling expense. Each of the divisions, except that for materials, was subdivided into specified items.

The salaries of active partners or officers, or the estimated amounts that individual owners would have paid for services which they themselves performed, were entered under indirect labor, administrative expense, or selling expense, according to the character of the services rendered.

The data derived from the establishment schedules, reduced to averages and percentages, are shown in a series of tables which follow:

Table 17 shows, by groups and combinations of groups of establishments, the average net sales, items of cost, and average manufacturing profit and final profit per establishment.<sup>1</sup>

Table 18 shows for each group of establishments the percentages of cost and profit based on the average net sales.

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<sup>1</sup> The definition of the terms "Manufacturing profit" and "Final profit" is given on p. 39.