

Light & Shadow Video

The Background and Cause video clips offer the following financial information

- Revenues are split between online and in store video sales and video rentals.
- Recent annual rental income is \$45,000.
- Average Light & Shadow sales price per DVD is \$25.00.
- Recently annual average sales are 1000 units online and 1000 units in the store.
- Gross margin is 80%.
- Existing Inventory 16,000 DVDs with an average purchase price of \$5.00.
- For online sales Amazon fee is \$2.00 per unit.
- Average annual expenses for the business are \$50,000 and include \$5000.00 in professional fees, \$6000.00 in wages and \$15,600.00 in rent.
- Annual net income split between retained earnings or taken out as a royalty.
- No retirement plans