

Attention has been focussed on the relationships between net sales, gross trading profit or margin, operating expenses and net profit. Expenses have been examined in some detail to include salaries and wages paid to employees; advertising; store supplies; losses on bad debts; tax and insurance costs; rentals; heat, light and power used; repair and maintenance expense; depreciation; and other items.

Table 20 reviews some of the operating features of various trades based on 1948 averages.

20.—Operating Ratios in Retail Trade, by Kinds of Business, 1948

Note.—Independent, unincorporated firms only. All figures except stock turnover are percentages of net sales.

Kind of Business	Cost of Goods Sold	Gross Margin	Total Operating Expenses ¹	Salaries and Wages ²	Occupancy Expenses ³	Net Profit before Income Tax ⁴	Inventories		Stock Turnover ⁵
							Beginning	Ending	
	p. c.	p. c.	p. c.	p. c.	p. c.	p. c.	p. c.	p. c.	No.
Grocery.....	86.0	14.0	8.3	3.3	2.5	5.7	8.1	8.1	10.6
Combination stores.....	85.4	14.6	10.2	4.9	2.3	4.4	6.1	6.2	13.8
Meat.....	83.4	16.6	11.1	5.0	2.7	5.5	2.1	2.4	37.4
Confectionery.....	80.9	19.1	10.6	3.9	4.9	8.5	6.5	6.9	12.1
Fruits and vegetables.....	82.5	17.5	11.0	3.5	3.9	6.5	4.1	4.5	19.2
Men's clothing.....	74.1	25.9	14.0	6.2	3.9	11.9	26.1	29.4	2.7
Family clothing.....	76.7	23.3	13.3	6.0	3.6	10.0	26.8	30.0	2.7
Women's ready-to-wear.....	74.2	25.8	15.4	6.6	4.6	10.4	15.0	17.7	4.6
Family shoe.....	73.5	26.5	15.0	7.0	4.4	11.5	32.2	34.3	2.2
Country general.....	84.9	15.1	9.1	4.3	2.4	6.0	19.4	20.8	4.2
Furniture.....	73.3	26.7	17.1	6.8	4.1	9.6	23.4	24.1	3.2
Household appliances and radios.....	72.6	27.4	17.9	9.1	3.1	9.5	14.8	16.0	4.7
Hardware.....	75.3	24.7	13.2	6.5	3.2	11.5	24.0	26.7	3.0
Restaurants.....	62.9	37.1	30.2	18.5	7.9	6.9	2.5	2.4	37.1
Coal and wood.....	79.6	20.4	15.0	3.4	1.9	5.4	5.8	7.8	11.7
Drug stores.....	71.6	28.4	16.7	8.7	3.9	11.7	18.7	19.6	3.8
Jewellery.....	60.9	39.1	23.8	11.9	6.0	15.3	40.5	42.8	1.5
Tobacco.....	83.5	16.5	8.6	3.6	3.5	7.9	9.1	9.7	8.9
Filling stations.....	81.0	19.0	12.8	7.0	3.9	6.2	3.6	4.2	20.9
Garages.....	73.8	26.2	18.4	10.4	4.6	7.8	7.8	8.2	9.2

¹ Includes salaries and wages, occupancy expense and store supplies plus all other expenses. ² Salaries and wages do not include delivery or proprietors' salaries. ³ Includes taxes and insurance, light, heat and power, repairs, maintenance, depreciation (except on delivery equipment) and rentals on rented premises. ⁴ Includes proprietors' salaries or withdrawals. ⁵ Times per year—cost of goods sold, divided by average of beginning and year-end inventories.

Retail Consumer Credit.—Studies on retail consumer credit, an outgrowth of special inquiries conducted by the Wartime Prices and Trade Board during the period of controls, have been continued by the Dominion Bureau of Statistics since 1945. Only those trades in which the extension of credit plays an important part were brought within the scope of these surveys.

Sales and accounts receivable are measured in terms of their change, in index form, since the base period of the series—1941. Sales are related to a 1941 quarterly average and accounts receivable to the amount outstanding at Dec. 31, 1941. Table 21 shows indexes by quarterly periods for 1948, 1949 and the first six months of 1950.

While wartime restrictions on instalment buying were in effect, the proportion of sales made under extended term contracts decreased. The effects of regulations introduced in the latter part of 1950 are not yet apparent. In terms of absolute volume, instalment sales, as is clearly shown by the indexes in Table 21, have not increased since 1941 to the same extent as have cash and charge sales.