

CONCEPT: TREND PERCENTAGES

- **Trend Percentages** are a form of horizontal analysis. Trends show the direction a business is headed (i.e. growing?)

☐ Choose a year as the base year (usually the oldest year)

$$\text{Trend Percentage} = \frac{\text{That Year's Dollar Amount}}{\text{Base Year Dollar Amount}} * 100$$

EXAMPLE: Compute the trend percentages for income from operations:

	2018	2017	2016	2015	2014
Sales	\$676,000	\$862,000	\$1,406,000	\$1,129,000	\$842,000
Calculation					
Trend Percentages					

PRACTICE: Show the trend percentages for Sales and Net Income. Use 2015 as the base year:

	2018	2017	2016	2015
Sales	\$9,960	\$9,260	\$8,790	\$8,410
Calculation				
Trend Percentages				
Net Income	\$670	\$500	\$480	\$432
Calculation				
Trend Percentages				