

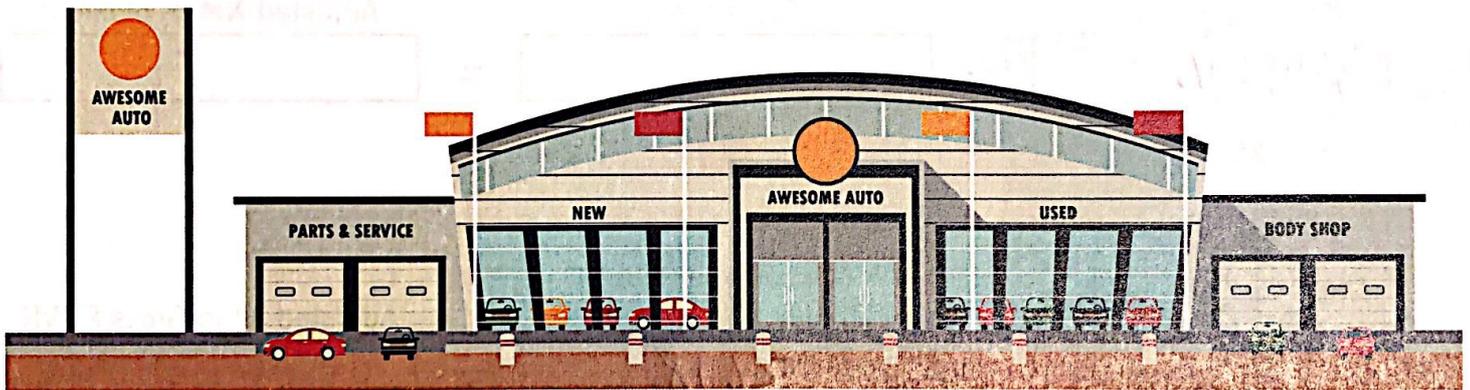


ACTIVITY

THE VALUE OF F&I

Without using any data, what is your best estimate for each department's contribution to total dealership gross profit?

New Car Department	<u>10</u> %
New Car F&I	<u>5</u> %
Pre-Owned Department	<u>50</u> %
Pre-Owned Car F&I	<u>10</u> %
Service Department	<u>15</u> %
Parts Department	<u>5</u> %
Body Shop	<u>0</u> %
Additions and Deductions	<u>5</u> %
Total	100%



What is the value of F&I? What are your numbers?

Using the data on your financial statement, calculate each department's contribution to total dealership gross profit.

	GROSS PROFIT DOLLAR	GROSS PROFIT PERCENT
New Car Department	\$ 7,421,341.	22 %
New Car F&I	\$ 4,152,655.	12 %
Pre-Owned Car Department	\$ 8,529,447.	25 %
Pre-Owned Car F&I	\$ 8,404,258.	25 %
Service Department	\$ 3,982,399.	12 %
Parts Department	\$ 1,533,593.	5 %
Body Shop	\$ 0 N/A	%
Additions and Deductions	\$ 7,578,121.	22 %
Total	\$ 41,601,814.	123 %