

Chart of Difference between Gross Profit and Operating Profit: -

Basis	Gross Profit (GP)	Operating Profit (EBIT)
Meaning	GP is that part of the revenue which is left after deducting all direct cost/expenses from the Net Sale	Operating Profit is that part of the revenue which is left after deducting operating cost/expenses from the Gross Profit.
Timing	GP is calculated before EBIT	EBIT is calculated after GP
Purpose	It is calculated to know the total Gross profit earned from the sale of core products during the particular accounting period.	It is calculated to know the total Actual profit earned from the sale of core products during the particular accounting period.
Stage	It is calculated on the first stage of the final account.	It is calculated on the second stage of the final account.
Dependency	GP is Independent	Operating Profit is dependent on GP
Advantage	Helpful in control over the excess Direct costs.	Helpful in control over the excess operating costs.
Part	GP is not a part of EBIT	EBIT is a part of GP.