

(a) Trading, Profit and Loss for the year ended 31 May 2010

	B		B
Opening Stock	10,356	Sales	206,850
Purchases	61,800		
Add: Carriage Inwards	14,100		
Cost of goods available for sale	86,256		
Less: Closing Stock	11,250		
Cost of goods sold	75,006		
Gross Profit B/d	13,1844		
	<u>206,850</u>		<u>206,850</u>
General Expenses (34,275 + 4,143)	38,418	Gross Profit b/d	131,844
Insurance (2700 ÷ 15 × 12)	2,160	Discount Received	200
Depreciation on Motor Vehicle ([48,000 - 24,000] × 50%)	12,000		
Doubtful Debts (5% × 4,240)	212		
Carriage Outwards	1,950		
Wages and Salaries	47,804		
Rent	16,200		
Motor Expenses	6,300		
Net Profit	7,000		
	<u>132,044</u>		<u>132,044</u>



(b) Balance Sheet as at 31 May 2010

<u>Fixed Assets</u>		\$	\$	<u>Owner's Equity</u>		\$
Motor Vehicles	48,000			Capital	41,000	
Less: Provision for Depreciation	36,000		12,000	Add: Net Profit	7,000	
				Less: Drawings	26,535	
					<u>21,465</u>	
<u>Current Assets</u>				<u>Current Liabilities</u>		
Stock	11,250			Creditors	1,710	
Debtors	4,240			Bank Overdraft	500	
Less: Provision for Doubtful Debts	212			Accrued General Expenses	4,143	
Prepaid Insurance	540		15,818			
			<u>27,818</u>			<u>27,818</u>