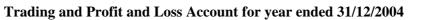
## **Question 7 - solution**





Sales Less Cost of Sales	(W1)								212,610 <b>9</b>
Opening stock Purchases	(W2)						15,200 <b>2</b>		
Closing stock Gross Profit						<u>(</u>	92,900 <u>17,000</u> )	•	<u>75,900</u> 136,710
Less Expenses:									
General expenses Donation to charity	(W3)						22,000 <b>C</b> 3,200 <b>C</b>		
Light and heat	(W4)						4,976		
Interest	(W5)						4,200		
Insurance	(W6)						5,360 <b>G</b>		
Rent	(W7)						<u>400</u> €	)	40.126
Net Profit									<u>40,136</u> <u>96,574</u> €
Workings:									
<ol> <li>Sales         Credit sales         Cash sales         96,000+         Total Sales         </li> </ol>	- 23,700	+	34,000 53,000	+ +	18,100 4,160		17,000 650	=	35,100 <u>177,510</u> <b>212,610</b>
2. Purchases Credit purchases Cash purchases Total purchases Less drawings of stock Total purchases			33,100	+	15,500	_	18,700	=	29,900 <u>53,000</u> 82,900 <u>(5,200</u> ) <b>77,700</b>
3. General expenses					23,700	_	1,700	=	22,000
4. Light and heat	5,800	+	720	_	300		1,244	=	4,976
5. Loan Interest					2,325	+	1,875	=	4,200
6. Insurance			6,000	+	860	_	1,500	=	5,360
7. Rent			2,400	_	1,200	_	800	=	400
8. Drawings	5,200	+	4,160	+	800	+	1244	=	11,404

## Balance sheet as at 31/12/2004

Intangible Fixed Assets	€	€
Goodwill		20,340 3
Tangible Fixed Assets		
Buildings	232,000 2	
Vehicles	26,000 <b>1</b>	
Equipment	<u></u> 22,000	<u>280,000</u>
Comment Agents		300,340
Current Assets Stock	17,300	
Debtors	18,100	
Bank	46,975 <b>9</b>	
	46,975 <b>0</b> 650 <b>0</b>	
Cash		
Insurance prepaid	1,500	
Rent prepaid	<u>    1,200</u> <b>9</b> 85,725	
Creditors falling due within 1 years		
Creditors falling due within 1 year:	15 500	
Creditors	15,500	
Electricity due	720	
Interest due	1,875 🗿	
Loan repayment due	<u>7,000</u> <b>2</b> <u>25,095</u>	60.620
		<u>60,630</u> 360,970
Financed by:		<u>200,270</u>
Creditors falling due after more than 1	1 vear:	
Loan		77,000 2
Capital	195,000 2	
Capital introduced	3,800	
Net profit	<u>96,574</u>	
not pront	295,374	
Less drawings W 8	11,404 6	
C		<u>283,970</u>
		<u>360,970</u>
(c)		8

**(b)** 

Total sales figure Total purchases figure Trial balance Bank balance Capital Goodwill Bad debts