

PACMER LTD

W1

	<u>A</u>	<u>B</u>
CONTRACT PRICE	£1000 900	£1000 900
Less: COSTS TO DATE	(500)	(800)
COSTS TO COMPLETE	(250)	(100)
TOTAL ESTIMATED PROFIT	1 1/2 <u>150</u>	1 1/2 <u>—</u>

W2

Attributable profit (A)

$$= \frac{500}{750} \times 150 = 2 \underline{100}$$

W3 P+C A/C

	<u>A</u>	<u>B</u>
Turnover	570	770
Cost of Sales	(470)	(770)
Gross Profit	1 1/2 <u>100</u>	1 1/2 <u>—</u>

P+L A/C For Y/E 31-12-14

£1000

Turnover

1340 $\frac{1}{2}$

Cost of Sales

(1240) $\frac{1}{2}$

Gross Profit

100

BALANCE SHEET AT 31-12-14

£1000

Stocks: Long Term Contract
Balances

60 $\frac{1}{2}$

Debtors: Amounts Receivable
on Contracts

240 $\frac{1}{2}$

(W4) Debtors / Creditors

	<u>A</u> £1000	<u>B</u> £1000
Turnover	570	770
less: payments on a/c	(400)	(700)
Debtors	<u>2 170</u>	<u>2 70</u>

(W5) Stock

	<u>A</u> £1000	<u>B</u> £1000
Costs to date	500	800
less: transferred to COS	(470)	(770)
Stock	<u>2 30</u>	<u>2 30</u>