

Question 1

The following information relates to the activities of **Better-Price Stores** for the year ended 30 June 2021:

Salaries and wages	(24,500)
Rent	(14,200)
Depreciation – fixtures and fittings	(1,000)
Interest received from investments	2,000
Profit for the period	25,500
Sales revenue	232,000
Interest on borrowings	(1,100)
Cost of sales	(154,000)
Heat and light	(7,500)
Telephone and postage	(1,200)
Insurance	(1,000)
Motor vehicle running expenses	(3,400)
Motor van	(600)
Operating profit	24,600

Task

Prepare an income statement for the year ended 30 June 2021. (Hint: Not all items listed should appear on this statement.)

Question 2

The following information relates to the activities of H&S Retailers for the year ended 30 April 2021:

Motor vehicle running expenses	1,200
Closing inventories	3,000
Rent payable	5,000
Motor vans – cost less depreciation	6,300
Annual depreciation – motor vans	1,500
Heat and light	900
Telephone and postage	450
Sales revenue	97,400
Inventories purchased	68,350
Insurance	750
Loan interest payable	620
Balance at bank	4,780
Salaries and wages	10,400
Opening inventories	4,000

Task

Prepare an income statement for the year ended 30 April 2021. (Hint: Not all items listed should appear on this statement.)