

**QUESTION**  
 The following information is taken from the financial statements of a company for the year ended 31 December 2018:  
 Sales revenue: 1,000,000  
 Cost of sales: 600,000  
 Selling expenses: 100,000  
 Administrative expenses: 150,000  
 Depreciation: 50,000  
 Interest on bank borrowings: 20,000  
 Dividend received from subsidiary: 10,000  
 Profit on disposal of plant: 10,000  
 Taxation: 50,000  
 Retained profit at the start of the year: 100,000  
 Dividend paid: 20,000  
 Retained profit at the end of the year: 150,000  
 The company has no other assets or liabilities.

**REQUIRED**

Account	Debit	Credit
Profit and Loss Account		
Sales revenue		1,000,000
Cost of sales	600,000	
Selling expenses	100,000	
Administrative expenses	150,000	
Depreciation	50,000	
Interest on bank borrowings	20,000	
Dividend received from subsidiary		10,000
Profit on disposal of plant		10,000
Taxation	50,000	
Retained profit at the start of the year		100,000
Dividend paid	20,000	
Retained profit at the end of the year		150,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>

## ANSWERS

The following information is taken from the financial statements of a company for the year ended 31 December 2018:  
 Sales revenue: 1,000,000  
 Cost of sales: 600,000  
 Selling expenses: 100,000  
 Administrative expenses: 150,000  
 Depreciation: 50,000  
 Interest on bank borrowings: 20,000  
 Dividend received from subsidiary: 10,000  
 Profit on disposal of plant: 10,000  
 Taxation: 50,000  
 Retained profit at the start of the year: 100,000  
 Dividend paid: 20,000  
 Retained profit at the end of the year: 150,000

The company has no other assets or liabilities.  
 The following T-accounts have been prepared for the company for the year ended 31 December 2018:  
 Profit and Loss Account  
 Sales revenue: 1,000,000  
 Cost of sales: 600,000  
 Selling expenses: 100,000  
 Administrative expenses: 150,000  
 Depreciation: 50,000  
 Interest on bank borrowings: 20,000  
 Dividend received from subsidiary: 10,000  
 Profit on disposal of plant: 10,000  
 Taxation: 50,000  
 Retained profit at the start of the year: 100,000  
 Dividend paid: 20,000  
 Retained profit at the end of the year: 150,000

**REQUIRED**  
 Prepare a statement of financial position for the company at 31 December 2018.