

QUESTION
 The following information is taken from the financial statements of ABC Company for the year ended 31/12/2020:
 Sales: 1000 units @ £100 each
 Variable production costs: £4000
 Fixed production costs: £1000
 Variable selling and distribution costs: £1000
 Fixed selling and distribution costs: £500
 Administrative costs: £2000
 Finance costs: £1000
 Profit before tax: £1000
 Tax: £200
 Profit after tax: £800
 Dividends: £400
 Retained profit: £400

Account	Debit	Credit
Sales		10000
Variable production costs	4000	
Fixed production costs	1000	
Variable selling and distribution costs	1000	
Fixed selling and distribution costs	500	
Administrative costs	2000	
Finance costs	1000	
Profit before tax		1000
Tax	200	
Profit after tax		800
Dividends	400	
Retained profit		400

KNOWLEDGE CHECK

