

**QUESTION**  
 The following information is taken from the financial statements of a company for the year ended 31 December 2018:  
 Sales revenue 1000  
 Cost of sales (800)  
 Selling expenses (100)  
 Administrative expenses (100)  
 Depreciation (50)  
 Finance charges (20)  
 Profit before tax 120  
 Tax expense (30)  
 Profit after tax 90  
 Dividends paid (40)  
 Retained profit 50  
 The company's opening retained profit was 100. The company's closing retained profit is 100.

**REQUIRED**

Account	Debit	Credit
Retained Profit	100	
Profit before tax		120
Tax expense	30	
Profit after tax		90
Dividends paid	40	
Retained profit		50
<b>Total</b>	<b>170</b>	<b>170</b>

## ANSWERS

1. The following information is taken from the financial statements of a company for the year ended 31 December 2018:  
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**REQUIRED**  
 Prepare a T-account for Retained Profit.

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Retained profit		50
<b>Total</b>	<b>170</b>	<b>170</b>