

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
Total	1,000,000	1,000,000

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.