

QUESTION 5 (10%)

1. The following is a partial income statement for the year ended 31/12/2019:

	2019	2018
Revenue	1000	900
Cost of sales	(400)	(350)
Gross profit	600	550
Operating expenses	(200)	(180)
Operating profit	400	370
Finance income	10	20
Finance expense	(5)	(10)
Profit before tax	405	380
Income tax expense	(100)	(90)
Profit after tax	305	290

2. The following is a partial balance sheet for the year ended 31/12/2019:

	2019	2018
Share capital	1000	1000
Reserves	200	190
Total equity	1200	1190
Trade receivables	100	110
Trade payables	(50)	(60)
Other assets	150	150
Other liabilities	(100)	(100)
Total assets	1200	1190