

QUESTION
 The following information is taken from the financial statements of a company for the year ended 31 December 2018.

Revenue	1000
Cost of sales	(400)
Operating expenses	(150)
Operating profit	450
Finance income	20
Finance expense	(10)
Profit before tax	460
Income tax expense	(100)
Profit for the year	360

The company has no other income or expenses. The company's tax rate is 20%.

REQUIRED

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Cost of sales	(400)	
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Operating profit	450	
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Income tax expense	(100)	
Profit for the year	360	

ANSWERS

The company's profit before tax is 460. The company's tax rate is 20%. Therefore, the company's income tax expense is 92 (460 x 20%).

The company's profit for the year is 360 (460 - 92).

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