

QUESTION

The following information is provided for the year ended 31 December 2018:

- Revenue: 1000
- Cost of sales: 600
- Administrative expenses: 100
- Depreciation: 50
- Interest income: 20
- Interest expense: 30
- Dividend income: 10
- Dividend expense: 5
- Income tax expense: 20
- Income tax payable at the start of the year: 10
- Income tax payable at the end of the year: 15
- Retained profit at the start of the year: 100
- Retained profit at the end of the year: 120

Account	Debit	Credit
Revenue		1000
Cost of sales	600	
Administrative expenses	100	
Depreciation	50	
Interest income		20
Interest expense	30	
Dividend income		10
Dividend expense	5	
Income tax expense	20	
Income tax payable		15
Retained profit	100	
Retained profit		120

Required: Prepare the Statement of Profit or Loss for the year ended 31 December 2018.

ANSWER



Account	Debit	Credit
Revenue		1000
Cost of sales	600	
Administrative expenses	100	
Depreciation	50	
Interest income		20
Interest expense	30	
Dividend income		10
Dividend expense	5	
Income tax expense	20	
Income tax payable		15
Retained profit	100	
Retained profit		120

Required: Prepare the Statement of Profit or Loss for the year ended 31 December 2018.