

**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: 10,000  
 Profit before tax: 130,000  
 Tax expense: 30,000  
 Profit after tax: 100,000  
 Dividend paid: 20,000  
 Retained profit: 80,000  
 The company has 100,000 shares in issue.

**REQUIRED**

Account	Debit	Credit
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		10,000
Profit before tax		130,000
Tax expense	30,000	
Profit after tax		100,000
Dividend paid	20,000	
Retained profit		80,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>

## 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  
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 Profit after tax: 100,000  
 Dividend paid: 20,000  
 Retained profit: 80,000  
 The company has 100,000 shares in issue.

**REQUIRED**

(a) Prepare a statement of profit or loss for the year ended 31 December 2018.

(b) Prepare a statement of financial position as at 31 December 2018.

(c) Calculate the gross profit margin, operating profit margin and net profit margin for the year ended 31 December 2018.

(d) Calculate the return on capital employed for the year ended 31 December 2018.

(e) Calculate the dividend yield for the year ended 31 December 2018.