

- 1 Fraz is in business as a sole trader. The following balances were extracted from his books on 31 January 2014.

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Land and buildings (cost)	130 000
Fixtures and fittings (cost)	17 000
Computer equipment (cost)	36 000
Discount allowed	2 000
Carriage outward	3 500
Finance cost	3 000
Carriage inward	1 500
Discount received	1 000 Cr
Bank loan (repayable 30 April 2020)	110 000
Bank	17 430 Dr
Trade receivables	45 000
Trade payables	37 650
Rent received	1 400
Revenue	362 500
Purchases	172 400
Returns inwards	7 200
Returns outwards	8 800
Inventory at 1 February 2013	17 970
Distribution expenses	16 300
Insurance	5 900
Light and heat	7 850
Wages and salaries	69 500
Marketing expenses	31 000
General expenses	9 200
Commission received	11 400
Drawings	20 000
Capital	80 000

Additional information at 31 January 2014

- 1 Inventory was valued at \$15 600.

<p><b>M. BABAR NAEEM Z.</b>  <b>ACCOUNTS TEACHER</b>  <b>03214438768</b></p>
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Required:

Prepare income statement and statement of financial position of Fraz for the year ended 31 jan 2014.

Answers;

Gross profit \$187 830      Expenses \$148 250      Profit for the year \$53 380

Non current Assets \$183 000      Current Assets \$78 030      Total Assets \$261 030

Financed By \$113 380      Total Liabilities \$147 650