



BIE Homework Sheet

Year: 11

Project: Profit and loss account

Date issued: week 11

Date Due in:

The following is a profit and loss account for See-saw Ltd

See-saw Ltd		
Trading Profit & Loss account		
Year ended 31.3.08		
	000's	000's
Sales		120
Cost of sales		
Opening stock	50	
Purchases	<u>35</u>	
	85	
Closing stock	<u>35</u>	
Total Cost of sales		50
Gross Profit		A
<u>Expenses</u>		
Rent	6	
Wages	40	
Advertising	5	
Other Expenses	8	
Total expenses		<u>B</u>
Net Profit		11

Calculate the amounts represented by A & B

Explain the difference between Net Profit & Gross Profit

The directors of See-saw Ltd are expanding the business and they have applied for a bank loan to finance to venture. Why might the bank want to see a profit and loss account before lending the company any money?

All Homework must be handed in on the date requested.

If you hand in homework late or it is of an unacceptable standard you will be given a p6.