



Income Statements

You should use your knowledge on income statements to complete the questions below. You can check your answers to this worksheet via the following website link;



<http://www.beebusinessbee.co.uk/index.php/btec-business-nationals-level-3/38-unit-3-personal-and-business-finance-btec-nationals-2016/274-income-statements-worksheet-answers>

You can also find a video on this web link that will explain the answers that you should have calculated.

Question 1

Bee's Business	
Closing Inventories	£40,000
Opening Inventories	£30,000
Sales Revenue	£600,000
Purchases	£300,000
Gross Profit	£310,000

Bee has carried out a stock take and realised that his inventories figure is actually 42,000 and not £40,000 as first thought. Calculate his new Gross Profit figure.





Question 2

Bee has given you the rest of the income statement;

Wages	£80,000
Electricity	£40,000
Other Expenses	£100,000
Van at Cost	£15,000
Depreciation of Van	£10,000

however the following information has been missed out;

- Bee still owes £100 to the electricity company
- Bee has given one employee £500 in advance
- The van is to be depreciated at 10% using the reducing balance method.

Calculate the total profit / loss for the year.

Question 3

What would be the net book value of the van now for Bee?

Question 4

Calculate the Gross Profit for Bee's business

Bee's Business	
Closing Inventories	£20,000
Opening Inventories	£50,000
Sales Revenue	£800,000
Purchases	£550,000
Gross Profit	





Question 5

Bee has realised that he actually calculated his Income Statement incorrectly as he actually purchased £60,000 more stock than originally calculated. Calculate his new Gross Profit figure.

Question 6

Bee has given you the rest of the income statement;

Wages	£80,000
Electricity	£40,000
Other Expenses	£70,000
Car at Cost	£25,000
Depreciation of Car	£5,000

however the following information has been missed out;

- Bee still owes £5000 to the electricity company
- Bee has forgotten to pay a part time member of staff £2000 in wages
- The car is to be depreciated at 20% using the reducing balance method.

Calculate the total profit / loss for the year.

Question 7

What would be the net book value of the car now for Bee?

Remember to ensure that you check your answers that you have calculated to ensure that you know where your strengths and weaknesses are.

