PRINCIPLES OF ACCOUNTING ASSIGNMENT 11

1. Explain the difference between a trading business and a service business.

2. Explain the importance of income statement and statement of financial position

3. Luna is a sole trader who runs BFC book store. She has extracted the following from her books of account for the year ended 30 April 2018.

Rs.

Sales 170000

Purchases 50000

Opening inventory 20000

Closing inventory 10000

Calculate BFC book store’s cost of sales and gross profit.