PRINCIPLES OF ACCOUNTING ASSIGNMENT 12

1. What do you understand by fixed capitals and fluctuating capitals of partners?
2. Bina is a sole trader who runs a business that sells sandwiches to local business. She has extracted the following information from her books of account for the year ended 31 January 2018.

Rs.

Revenue 25582

Purchases 7980

Inventory as at 1 February 2017 325

Inventory as at 31January2018 153

Wages and salaries 7850

Delivery expenses 3150

Rent 2130

Insurance 320

General expenses 290

Prepare Bina’s income statement for the year ended 31 January 2018.

1. Define the term residual profit and compute residual profit with imaginary figure.

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