**ASSIGNMENT 10**

1. Explain the importance of income statement and statement of financial position
2. ELuna 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.xplain the difference between a trading business and a service business.

1. Rudd Antiques has provided the following information from its book of account for the year ended 31 December 2018.

Prepare the trading account for Rudd Antiques for the year ended 31 December 2018.

Rs.

Carriage inwards 650

Sales returns 595

Purchases returns 980

Revenue 37950

Purchases 29570

Inventory as at 1 January 2018 3950

Inventory as at 31 December 2018 5990