1 After completion of the Trading Account, the following balances were extracted from the books of Peter Jordan plc on 30 April 2006.

\$

Authorised and issued share capital	
Ordinary shares of \$1 each fully paid	1 500 000
7 % Preference shares of \$1 each fully paid	200 000
Premises	2 300 000
Motor vehicles	500 000
Fixtures and fittings	170 000
Provision for depreciation on motor vehicles	375 000
Provision for depreciation on fixtures and fittings	102 000
Gross profit	1 620 000
Stock	204 000
Office expenses	460 000
Selling and distribution expenses	486 000
6 % debentures – 2011 (issued in 2001)	100 000
Debenture interest paid	3 000
Profit on sale of motor vehicle	2 000
Profit and loss account balance – 1 May 2005	143 600 Cr
Debtors	132 000
Creditors	116 000
Bank	26 800 Cr
Cash	400
Share premium	150 000
Interim dividend paid – ordinary shares	75 000
preference shares	8 000
Provision for doubtful debts	3 000

Additional information at 30 April 2006:

Office expenses prepaid \$8000

Selling and distribution expenses accrued \$23 000

Provision for doubtful debts to be maintained at 2 % of debtors

Depreciation to be provided as follows:

Motor vehicles 50 % per annum reducing (diminishing) balance

Fixtures and fittings 20 % per annum on cost

The following are proposed:

Final dividend of \$0.10 per share to be paid to ordinary shareholders Remaining dividend due is to be paid to preference shareholders.

REQUIRED

(a)	Prepare Peter Jordan plc's Profit and Loss and Appropriation Account for the year ended 30 April 2006.
	[11]

(b)	Prepare Peter Jordan plc's Balance Sheet at 30 April 2006.
	[13]
	[13]

(c) (i)	Calculate the current ratio at 30 April 2006 to two decimal places.
(ii)	Calculate the acid test (quick) ratio at 30 April 2006 to two decimal places.
(iii)	Explain the uses of these two ratios, using Peter Jordan plc as an example.
	[6]