2 Warren is a sole trader. He started trading on 1 February 2016.
During the year ended 31 January 2017 he did not keep detailed accounting records but he has provided the following information:

	$
Revenue	248 758
Carriage inwards	12 371
Carriage outwards	5 873
Returns inwards	6 250
Returns outwards	11 875
Goods taken for own use	2 246
Inventory at 31 January 2017	27 450

Warren applies a 50% mark-up on cost.

REQUIRED

(a) Prepare the trading section of the income statement for the year ended 31 January 2017.

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(b) Explain **two** advantages of maintaining control accounts.

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Additional information

Whilst preparing his accounts, Warren discovered the following:

1 Goods costing Warren $2400 had been sent to a customer on a sale or return basis on 29 January 2017. The goods had been invoiced with the usual mark-up, but the customer had not yet decided to keep them.

2 Trade receivables were shown as $49532, but irrecoverable debts of $572 had not been written off and a provision for irrecoverable debts of 5% was required.

REQUIRED

(c) Explain how these transactions would affect the financial statements for the year ended 31 January 2017.

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