

- | 2005 | Purchases | Sales |
|----------|------------|------------|
| February | 300 @ \$25 | 150 @ \$35 |
| March | 120 @ \$27 | 210 @ \$38 |
| April | 240 @ \$29 | 205 @ \$41 |

REQUIRED

- [5]

- [2]

- [2]

	30 April 2006			30 April 2007		
	\$	\$	\$	\$	\$	\$
Fixed assets (Net book value)						
Premises			100 000			100 000
Equipment			<u>75 000</u>			<u>56 500</u>
			175 000			156 500
Current assets						
Stock	7 500			6 800		
Debtors	10 800			8 900		
Bank	2 000			-		
Cash	<u>400</u>	20 700		<u>400</u>	16 100	
Current liabilities						
Creditors	6 200			7 300		
Bank	<u>-</u>			<u>1 200</u>		
		<u>6 200</u>			<u>8 500</u>	
Net current assets			<u>14 500</u>			<u>7 600</u>
			<u>189 500</u>			<u>164 100</u>
Capital at 1 May 2006			120 000			189 500
Net profit (loss)			<u>83 500</u>			<u>(11 400)</u>
			203 500			178 100
Less drawings			<u>14 000</u>			<u>14 000</u>
			<u>189 500</u>			<u>164 100</u>

(e) each year, calculate to a maximum of **two** decimal places:

- [8]

- (f) From your calculations in (e) and the balance sheets given in the question discuss **briefly** Archie's financial status on 30 April 2007 compared to 30 April 2006.

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..... [3]