

- 1 Anjali is a sole trader. She does not maintain a full set of accounting records.

At 1 October 2019 the assets and liabilities of Anjali were as follows:

Cash at bank	4 600 debit
Inventory	14 500
Non-current assets (carrying value)	85 000
Trade payables	9 930
Trade receivables	12 850

During the year ended 30 September 2020 the following transactions were recorded.

General expenses paid	11 480
Payments to trade payables	50 250
Receipts from trade receivables	73 850
Rental income received	9 000
Returns inwards	2 070
Returns outwards	1 290

Anjali made drawings of \$600 per month throughout the year.
All receipts and payments were processed through the bank account.
Irrecoverable debts of \$2300 were written off.

At 30 September 2020 the assets and liabilities were as follows:

Inventory	18 000
Non-current assets (carrying value)	72 250
Prepaid general expenses	600
Trade payables	11 470
Trade receivables	14 980

REQUIRED

- (a) Calculate the bank balance at 30 September 2020.

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Anjali

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Workings:

[17]

(c) Calculate the following, to **two** decimal places, for the year ended 30 September 2020.

(i) Gross margin

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..... [1]

(ii) Mark-up

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(iii) Profit margin

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(d) (i) Explain how a business may increase its gross margin.

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(ii) Explain how a business may improve its profit margin.

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(e) State **one** reason why each of the following may be interested in the financial statements of a business.

1 Employees

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2 Suppliers

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3 Government

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[3]