(1)

Let’s call the gross sales as .

Then, according to the information, the following are also calculated:

We are also given that the net sales are .

So, let’s write down this in the form of a table for essence:

|  |  |
| --- | --- |
| Particulars | Amount |
| Sales of products |  |
| Sales Allowances |  |
| Cash Discounts Allowed |  |
| Customer Returns | ) |
| Net Sales |  |

Now, we are given the net sales. Thus, we get

The gross sales are hence, approx.

(2)

The more details of the income statement are as follows:

|  |  |
| --- | --- |
| Particulars | Amount |
| Sales of products | 1,385,386.46 |
| Sales Allowances | (34,634.66) |
| Cash Discounts Allowed | (20,780.80) |
| Customer Returns | (1,240,000.00) |
| Net Sales | 89,971.00 |