

Monyetla Project – Accounting Gr 12

Lesson 2: Companies: Adjustments, Income Statement and Notes

ACTIVITY 1: ADAMS LIMITED

COMPANIES – INCOME STATEMENT AND NOTES

(62 marks; 50 minutes)

**ADAMS LIMITED
INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2017**

Sales	
Cost of sales	
Gross profit	
Other operating income	
Rent income (108 000)	
Gross operating income	
Operating expenses	
Auditors fee	38 900
Directors fee (805 000)	
Salaries (1 200 000)	
Pension fund contribution (32 400)	
Consumable goods	
Bank charges	
Discount allowed	
Bad debts	16 800
Operating profit	
Interest income	
Operating profit before interest expense	
Interest expense	
Net profit before tax	
Income tax	
Net profit for the year	

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NOTE TO THE BALANCE SHEET OF ADAMS LIMITED**TRADE AND OTHER PAYABLES**

Trade creditors	

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TOTAL MARKS		62
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ACTIVITY 2: JIMMY LTD

NOTES TO THE FINANCIAL STATEMENTS OF JIMMY LTD ON 29 FEBRUARY 2020

ORDINARY SHARE CAPITAL

AUTHORISED		
400 000 ordinary shares		
ISSUED		
300 000	Ordinary shares in issue on 1 March 2019	1 275 000
	Ordinary shares in issue on 29 February 2020	

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RETAINED INCOME

Balance on 1 March 2019	28 900
Dividends on ordinary shares	
Balance on 29 February 2020	

10

JIMMY LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
29 FEBRUARY 2020

Sales	1 800 000
Cost of sales	
Gross profit	
Other operating income	
Gross operating income	
Operating expenses	
Consumable stores	
Salaries and wages	
Director's fees	
Operating profit	
Net profit before interest expense	
Net profit before tax	
Net profit after tax	

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TOTAL MARKS

61

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ACTIVITY 3: KHUMALO FASHIONS LIMITED**COMPANIES – INCOME STATEMENT AND BALANCE SHEET (55 marks; 44 minutes)**

KHUMALO FASHIONS LIMITED
INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2019

Sales	1 225 700
Cost of sales	
Gross profit	
Other operating income	
Commission income (89 200)	
Gross operating income	
Operating expenses	
Bank charges (3 260)	
Bad debts (5 600)	
Discount allowed (2 940)	
Stationery (3 860)	
Insurance (14 250)	
Directors fees (50 000)	
Sundry expenses	
Operating profit	
Interest income (11 350)	
Profit before interest expense	
Interest expense	
Profit before tax	
Income tax	
Net profit for the year	

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BALANCE SHEET ON 28 FEBRUARY 2019

EQUITY AND LIABILITIES	
Ordinary shareholder's equity	
Non-current liabilities	
Current liabilities	
Trade and other payables	
TOTAL EQUITY AND LIABILITIES	

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TOTAL MARKS		55
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