**Maintaining Financial Records**

**The Income Statement**

**Activity 1**

Indicate whether the following items are an income or expense

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Income** | **Expense** |
| 1 | Insurance Paid |  |  |
| 2 | Electricity |  |  |
| 3 | Rates |  |  |
| 4 | Commission Revenue |  |  |
| 5 | Commission Expense |  |  |
| 6 | Wages |  |  |
| 7 | Fees received |  |  |
| 8 | Interest on mortgage |  |  |
| 9 | Office expenses |  |  |
| 10 | Rent received |  |  |
| 11 | Rent paid |  |  |
| 12 | Telephone |  |  |
| 13 | Motor vehicle repairs |  |  |
| 14 | Cash sales |  |  |
| 15 | Credit sales |  |  |
| 16 | Cash purchases |  |  |
| 17 | Cleaning costs |  |  |

**Activity 2**

Complete the following Income Statement. Part of the income statement has been done for you

**BobCats R Us**

**Income Statement for the year ended 30 June 2011**

|  |  |  |
| --- | --- | --- |
|  | $ | $ |
| **Income**  Bobcat fees  Discount received  **Less: Expenses**  Discount allowed  Rent  Telephone  Cleaning  Interest paid  **Profit / (loss)** | 100  24,000  1,000  300  200 | 100,000  1,000  101,000  \_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_ |

**Activity 3**

The following list shows the income and expenses of Progressive Tourist Agency for the year ended 30 June 2015. Prepare the income statement in the space provided

|  |  |  |
| --- | --- | --- |
| Progressive Tourist Agency | | |
| Interest Earned |  | 1,900 |
| Interest paid on loan | 2,000 |  |
| Tourist fees |  | 111,200 |
| General office expenses | 18,300 |  |
| Telephone expenses | 10,800 |  |
| Repairs to tourist equipment | 3,200 |  |
| Office salaries | 36,000 |  |
| Bad debts | 100 |  |
| Salary – office staff | 56,000 |  |

**Progressive Tourist Agency**

**Income Statement for year ended 30 June 2015**

|  |  |  |
| --- | --- | --- |
| **Income** | **$** | **$** |
|  |  |  |
|  |  |  |
|  |  |  |
| **Less Expenses** |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
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|  |  |  |
|  |  |  |
|  |  |  |
| **Profit / (loss)** |  |  |

**Activity 4**

Beth Warburton has the following income and expense items for her advertising agency. Prepare her Income Statement for the year ended 30 June 2012.

|  |  |  |
| --- | --- | --- |
| Progressive Tourist Agency | | |
| Vehicle registration | 430 |  |
| Vehicle repairs | 421 |  |
| Petrol & oil for motor vehicle | 89 |  |
| Rent on premises | 24,000 |  |
| Electricity | 77 |  |
| Telephone bill | 180 |  |
| Repairs to advertising equipment | 80 |  |
| Advertising fees revenue |  | 177,000 |
| Advertising expenses | 120 |  |
| Office wages | 56,000 |  |

**Activity 5**

Classify the following accounts as Income, Expenses, Assets (current or non-current), Liabilities (current or non-current) or Owner’s Equity:

|  |  |
| --- | --- |
| Account | Classification |
| Motor vehicle |  |
| Interest on loan |  |
| Office stationery |  |
| Bank overdraft |  |
| Mortgage on property |  |
| Service fees |  |
| Telephone bill |  |
| Debtors |  |
| Office furniture |  |
| Rates |  |
| Repairs to motor vehicle |  |
| Cleaning costs |  |
| Work in progress |  |
| Loss |  |
| Inventory |  |
| Office salaries |  |
| Rent received |  |
| Wages |  |
| Land and buildings |  |
| Petrol and oil |  |
| Creditors |  |
| Capital |  |
| Advertising in local newspaper |  |
| Sales |  |
| Rent received |  |
| Electricity |  |
| Discount received |  |
| Interest on short term loan |  |
| Short term loan |  |
| Machinery |  |
| Drawings |  |
| Discount given |  |
| Cash at bank |  |
| Equipment |  |

**Activity 6**

Graham has provided you with the following information for his Electrical services store. He has asked that you prepare an Income Statement for the year ended 30 June 2014

|  |  |
| --- | --- |
| Commission revenue | 9,000 |
| Interest on loan | 3,000 |
| Fees revenue | 110,200 |
| Telephone expenses | 4,400 |
| Repairs to recording equipment | 12,000 |
| Office salaries | 28,000 |
| Bad debts | 100 |
| Salary – advertising staff | 40,000 |
| Cleaning expenses | 3,000 |

**Graham’s Electrical Services**

**Income Statement for year ended 30 June 2014**

|  |  |  |
| --- | --- | --- |
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