

QUESTION
1. The following information is available for the year ended 31 December 2014: Sales revenue: 1000 Cost of sales: 600 Administrative expenses: 100 Depreciation: 50 Interest on bank loan: 20 Dividend received: 10 Calculate the profit for the year.
ANSWER
Profit for the year = Sales revenue - Cost of sales - Administrative expenses - Depreciation - Interest on bank loan + Dividend received = 1000 - 600 - 100 - 50 - 20 + 10 = 240