

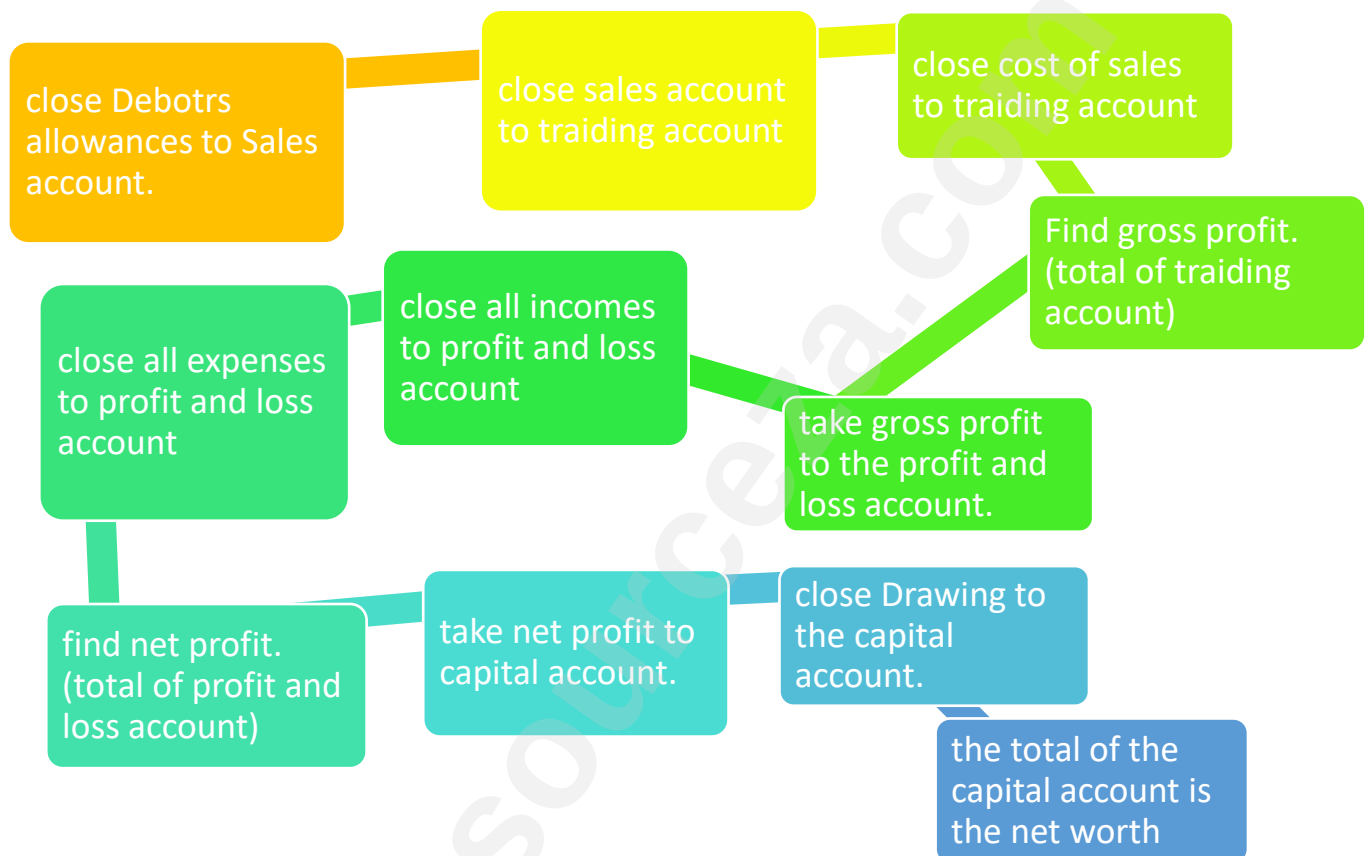


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Final accounts of a sole trader

The aim of these final accounts is to first find gross profit then net profit and last net worth.

HOW TO FIND:



*sales – debtors' allowances = turn over

The final accounts are done at the end of each financial year/ 12 months.

All the accounts involved are in the general ledger and go through the general journal as there is no money coming into or leaving the business.

Statement of Income: Just the final accounts in table form.

Sales (Sales-Debtors Allowances)	A	
Cost of sales	(B)	
Gross profit	C	$[A-B]=C$
Other operating incomes:	G	$[E+F]=G$
Rent income	E	
Current income	F	
Gross operating profit	H	$[C+G]=H$
Operating Expenses	(M)	$[I+J+K+L]=(M)$
Salaries	I	
Wages	J	
stationary	K	
water & elecricity	L	
Operating profit	N	$[H-M]=N$
Interest Income (interest on fixed depostite)	O	
Profit before interest expense	P	$[N+O]=P$
Interest expense (interest on loan)	(Q)	
Net Profit	R	$[P-Q]=R$