**Revenue statement**

**Activity 1**

**Complete the following passage using the words at the bottom of the page.**

A revenue statement is also called the \_\_\_\_\_\_\_\_\_\_\_\_\_ statement. Its primary goal is to help a business calculate how much \_\_\_\_\_\_ or \_\_\_\_\_\_\_\_ it has made over a period.

Profit refers to money after all \_\_\_\_\_\_\_\_\_\_\_\_\_have been covered. Therefore profit is income less all \_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_.

Net sales of a business is \_\_\_\_\_\_\_\_\_\_\_ less \_\_\_\_\_\_\_\_\_\_\_\_\_\_ less \_\_\_\_\_\_\_\_\_\_\_.

Gross profit is determined by \_\_\_\_\_\_\_\_\_\_ minus \_\_\_\_\_\_\_\_. COGS is the cost of the value of the \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_ plus the value of all \_\_\_\_\_\_\_\_\_\_\_\_\_ throughout the period minus the value of the \_\_\_\_\_\_\_\_\_ at the\_\_\_\_\_\_\_ of the \_\_\_\_\_\_\_\_\_.

***Income period expenses sales loss***

***End costs expenses discounts returns sales COGS opening stock Purchases stock profit***

**Activity 2**

Using the following data complete the revenue statement for **“Tables R Us” year ending 30 June 2007**.

You will need to calculate: a) COGS, b) Gross profit, c) Total expenses, d) Net profit

* Opening stock $3000
* Purchases $6000
* Closing stock $1000
* Sales revenue $21 000
* Salaries $2500
* Depreciation $500
* Electricity $300
* Travel $300
* Postage $400
* Tax $3000

**COGS = Opening stock + purchases - closing stock**

\_\_\_\_\_\_\_\_\_\_\_\_ = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ - \_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Gross profit = sales – COGS**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**(Heading)**  $

|  |  |  |
| --- | --- | --- |
| Revenue from sales | |  |
| Less COGS | |  |
| **Gross profit** | |  |
| Less expenses $ | |  |
| 1 |  |  |
| 2 |  |  |
| 3 |  |  |
| 4 |  |  |
| 5 |  |  |
| 6 |  |  |
| **Total expenses** | |  |
| Net Profit | |  |

**Activity 3**

**Balance sheet**

**Complete the following passage using the words at the bottom.**

The balance sheet equation is;

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_=\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_+\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The balance sheet is a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of a business’s position. It shows the overall \_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the business by illustrating the \_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_. An owner of a business can use the balance sheet to compare to a \_\_\_\_\_\_\_\_\_\_\_\_ year.

**Assets** are items of \_\_\_\_\_\_\_\_ to a business. Assets are divided into two groups; \_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_ - \_\_\_\_\_\_\_\_\_\_\_\_ assets. Current assets are expected to be \_\_\_\_\_\_\_\_\_up within \_\_\_\_\_\_\_ months. Currents assets include \_\_\_\_\_\_\_\_\_\_ and accounts \_\_\_\_\_\_\_\_\_\_\_. Non- current assets are expected to be used by a business for \_\_\_\_\_\_\_\_\_ than 12 months. Examples include \_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_

**Liabilities** are \_\_\_\_\_\_\_\_ owed by the business. Liabilities are divided into two groups; \_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_-\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ liabilities. Current liabilities are debts which intend to be repaid within \_\_\_\_\_\_ year, such as accounts \_\_\_\_\_\_\_\_\_\_\_\_\_. Non-current liabilities are \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_ debts which the company can pay over \_\_\_\_\_\_\_ years. An examples includes a; \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_.

**Owner’s equity** is the money the owners gave the \_\_\_\_\_\_\_\_\_\_\_\_\_ so it could acquire resources and \_\_\_\_\_\_\_\_\_\_\_ operating. Over time a business hopes to earn a \_\_\_\_\_\_\_\_\_\_\_\_, this money can held as \_\_\_\_\_\_\_\_\_\_\_\_\_ profit or used to expand the business.

***Value long-term non-current retained bank loans profit***

***Many used business begin debts current***

***Non-current bank loan inventory receivable one***

***Current more vehicles buildings payable 12***

***Snapshot stability owner’s equity assets liabilities previous***

**Assets liabilities owner’s equity**

Activity 4

Using the information below, complete the balance sheet below for **Tables R Us as at 30 June 2007**.

Cash $50 000

Inventory (stock) $100 000

Bank loan $20 000

Credit card bill $30 000

Accounts receivable $40 000

Accounts payable $50 000

Equipment $28 000

Owner’s capital $8000

Wages $110 000

**(Heading)**

|  |  |
| --- | --- |
| **Assets**  Current assets  Total current assets  Non-current liabilities  Total non-currents assets  **Total assets \_\_\_\_\_\_\_\_\_\_\_\_\_\_** | **Liabilities**  Current liabilities  Total current liabilities  Non-current liabilities  Total non-current liabilities  **Total liabilities** |
| **Owner’s equity**  **Total owner’s equity** |
| **Total liabilities and owner’s equity**  **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |