Trading Account -Example

On 31st December 2007, the books of XYZ show the following balances:

	$
Opening Stock	1000
Purchases	2600
Sales	9000
Return outwards	200
Return inwards	450
Carriage inwards	40
Warehouse worker wages	200

Closing Stock was valued at $400

Solution

Trading Account of XYZ for the year ended 31st December 2007

	$	$		$	$
Opening stock		1000	Sales	9000	
Purchases	2600		*Less* Returns inwards	450	
Less Returns outwards	200				8550
	2400				
Add Carriage inwards	40				
Worker wages	200				
		2640			
Cost of goods available for sale		3640			
Less Closing stock		400			
Cost of goods sold		3240			
Gross Profit		**5310**			
		8550			8550