

**GCSE IN APPLIED BUSINESS: DOUBLE AWARD**

**1491**

**SPECIMEN ASSESSMENT MATERIALS**

These specimen assessment materials are designed to accompany the OCR GCSE in Applied Business (Double Award) Specification for teaching from September 2002.

Centres are permitted to copy material from this booklet for their own internal use.

OCR has prepared specifications to incorporate the range of features required by GCSEs (Double Awards) and subject criteria. The specimen assessment material accompanying the specification is provided to give Centres a reasonable idea of the general shape and character of the planned question papers in advance of the first operational examination.

QAN 100/1968/6

---

# CONTENTS

---

Question Paper for Unit 3: Business finance  
Mark Scheme

**Oxford Cambridge and RSA Examinations**  
**General Certificate of Secondary Education**

**APPLIED BUSINESS: DOUBLE AWARD**  
UNIT 3: Business finance

**1491**

**Specimen Paper**

Additional materials: None.

**TIME** 1 hour 30 minutes

Candidate Name
----------------

Centre Number
---------------

Candidate Number
------------------

--

--	--	--	--	--	--

--	--	--	--	--	--

**INSTRUCTIONS TO CANDIDATES**

- Write your name, Centre number and candidate number in the spaces above.
- Write your answers, in blue or black ink, in the spaces provided on the question paper.
- Answer **all** the questions.
- Read each question carefully and make sure you know what you have to do before starting your answer.

**INFORMATION FOR CANDIDATES**

- The number of marks is given in brackets [ ] at the end of each question or part question.
- The total number of marks for this paper is **100**.

Question number	For examiner's use only
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
<b>TOTAL</b>	



**Text 1:**



**Trendsetters**

Maria Swift works in the finance department of Trendsetters Ltd, a shoe-making business based in Manchester. The company manufactures many different types of footwear for the fashion industry.

An extension is being built onto the factory as Trendsetters Ltd intend to branch out into making hiking boots.

Maria's job involves making and recording financial transactions and providing financial information for Mr Lindley, the accountant.

Mr Lindley, the accountant, then sent the following memo to Maria:

**Memorandum 1:**

MEMORANDUM

To: Maria Swift  
From: Mr Lindley  
Date: **23 November 2001**  
Ref.: Goods to order

Please order the following goods today from Lo-Cost Leather Ltd (Supplier No 123456), 25 Wyvern Way, New Town, Bedford BD3 4JK:

10 rolls of pink leather at £25.00 per roll  
100 pairs of leather boot laces (in packs of 10) at £5.00 per pack of 10

Delivery required here at the factory address within 7 days from today.  
The order number is TS001299

Trendsetters Ltd  
111 Granada Avenue  
Salford  
Manchester  
MN11 6AB

- 1 Refer to Text 1 and Memorandum 1.  
Complete the Purchase Order form shown below.

## Purchase Order

**Supplier:**



Trendsetters Ltd  
111 Granada Avenue  
Salford  
Manchester  
MN11 6AB

**Purchase Order No:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Supplier No:** \_\_\_\_\_


Required by:	Terms
	28 days net

Quantity	Units	Description	Unit Price	Total
			<b>Subtotal</b>	

[10]

2 Lo-Cost Leather Ltd later sent the following Delivery Note to Maria with the goods ordered.

Check the delivery note carefully, circle **three** errors and *describe* each error at the bottom of the page.

<b>Lo-Cost Leather Ltd</b> <b>25 Wyvern Way</b> <b>New Town</b> <b>Bedford</b> <b>BD3 4JK</b>			
<b>Delivery Note</b>		<b>No</b> DN456	<b>Date</b> 30 November 01
To: Trendsetters Ltd 150 Granada Avenue Salford Manchester MN11 6AB			
<b>Your Order No</b> TS001288	<b>Our Ref.</b> LCL987	<b>Delivery Date</b> 30.11.01	<b>Terms</b> 28 days net
<b>Quantity</b>	<b>Units</b>	<b>Description</b>	<b>Comments</b>
10	Sheets	Pink leather	
100	Packs of 10	Leather boot laces (pairs)	


(a) Error 1: \_\_\_\_\_  
 \_\_\_\_\_ [2]

(b) Error 2: \_\_\_\_\_  
 \_\_\_\_\_ [2]

(c) Error 3: \_\_\_\_\_  
 \_\_\_\_\_ [2]

- 3 Before Maria could correct the errors on the delivery sheet, Lo–Cost Leather sent an invoice. They seemed to have corrected some errors, but there were still problems.

Check the invoice carefully, circle **three** errors and *describe* each error at the bottom of the page.

<b>Lo-Cost Leather Ltd</b> <b>25 Wyvern Way</b> <b>New Town</b> <b>Bedford</b> <b>BD3 4JK</b>					
<b>Sales Invoice</b>		<b>No</b> 232324	<b>Date</b> 07 December 01		
To: Trendsetters Ltd 111 Granada Avenue Salford Manchester MN11 6AB					
<b>Your Order No</b> TS001299	<b>Our Ref.</b> LCL987	<b>Delivery Date</b> 30.11.01	<b>Terms</b> 28 days net	<b>Delivery No</b> DN456	
<b>Quantity</b>	<b>Units</b>	<b>Description</b>	<b>Unit price</b>	<b>Price</b>	
10	Rolls	Pink leather	£25.00	£200.00	
100	Packs of 10	Leather boot laces (pairs)	£5.00	£500.00	
			Sub total	£700.00	
			VAT @ 17.5%	£70.00	
			Total	£770.00	

- (a) Error 1: \_\_\_\_\_  
 \_\_\_\_\_ [2]
- (b) Error 2: \_\_\_\_\_  
 \_\_\_\_\_ [2]
- (c) Error 3: \_\_\_\_\_  
 \_\_\_\_\_ [2]




4 Explain **two** reasons why a Purchase Order form is an important document.

(a) Reason 1: \_\_\_\_\_  
\_\_\_\_\_ [2]

(b) Reason 2: \_\_\_\_\_  
\_\_\_\_\_ [2]

5 Mr Lindley has asked Maria to write out a cheque for £430.10 to pay for the goods ordered from another supplier, Leon's Leather.

Complete the cheque for Maria, using today's date.

	<b>Newtown Bank plc</b> 7 Back Street Manchester MN14 5DS	16-32-00	Date _____
Pay _____			
_____	_____	£	
_____	_____		<b>Trendsetters Ltd</b>
_____	_____		<i>R Lindley</i>
Cheque Number <b>0000187</b>	Sort Code <b>16-32-00</b>	Account Number <b>1002468</b>	

[5]

6 State **two** methods of payment that Trendsetters Ltd. could use to pay Lo-Cost Leather Ltd.  
For each payment method selected, explain why it may or may not be suitable.

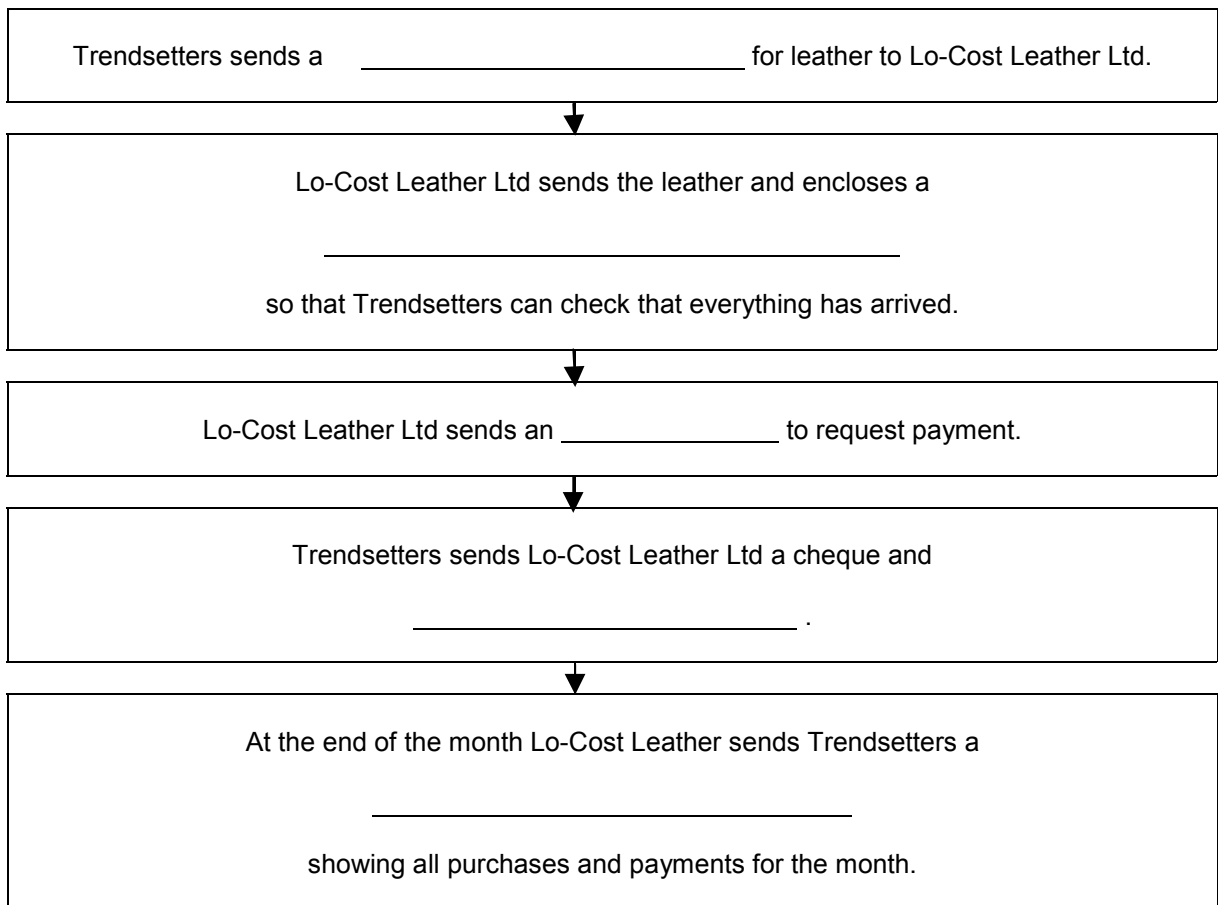
(a) (i) Method 1: \_\_\_\_\_ [1]

(ii) Suitability: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ [3]

(b) (i) Method 2: \_\_\_\_\_ [1]

(ii) Suitability: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ [3]

7 Complete the diagram below by writing in the names of the documents which would flow between Trendsetters Ltd and Lo-Cost Leather Ltd.



[5]

- 8 Explain the consequence for Trendsetters Ltd. if errors such as those on the invoice in **question 3 (page 5)** were *not* found and corrected.

---



---



---



---



---



---

[4]

- 9 Mr Lindley has been taken ill and has asked Maria to complete the Profit & Loss account and Balance Sheet that he was working on. She was given the information in Text 2.

Complete the Profit & Loss account below to calculate the profit or loss for the year ending 31<sup>st</sup> December 2001.

**Text 2:**

Sales of 10,000 pairs of shoes @ £15 per pair	
Cost £8 per pair to make	
Rent per annum	£10 000
Wages per annum	£30 000
Other expenses per annum	£ 5 000

**Trendsetters Ltd**  
**Profit and Loss Account for the year ending 31 December 2001**

<b>Sales</b>		£
<b>Cost of sales</b>		£
<b>Gross Profit</b>		£
<b>Expenses</b>		
_____	£	
_____	£	
_____	£	
		£
<b>Net Profit</b>		£

[10]

- 10** Maria discovered that important documents were missing from Mr Lindley's files, or had been filed in the wrong place.

Explain **two** reasons why it is important that Mr Lindley keeps accurate financial records.

(a) Reason 1: \_\_\_\_\_  
\_\_\_\_\_ [2]

(b) Reason 2: \_\_\_\_\_  
\_\_\_\_\_ [2]

- 11 Mr Lindley has been working on some predictions for the business when the new extension to the factory is up and running. He gave Maria the spreadsheet below and asked her to predict the likely inflows and outflows of cash during the first six months of operations.

Use the spreadsheet information given to complete the Cashflow Forecast. Some elements of the forecast have been completed for you.

**Trendsetters Ltd**

Predictions relating to the new factory extension

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02
<b>Sales</b>	£10 000	£10 500	£11 000	£11 500	£12 000	£12 500
<b>Purchases</b>	£5 000	£5 250	£5 500	£5 750	£6 000	£6 250
<b>Other income</b>	£0	£0	£500	£500	£750	£750
<b>Wages</b>	£4 000	£4 000	£4 000	£4 500	£4 500	£4 500
<b>Insurance</b>	£100	£100	£100	£100	£100	£100
<b>Heat &amp; Light</b>	£0	£0	£500	£0	£0	£500
<b>Other Expenses</b>	£250	£2 250	£500	£2 250	£250	£2 500

**CASHFLOW FORECAST FOR NEW EXTENSION**

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02
<b>INCOME</b>						
1 Sales	£10 000	£10 500	£11 000	£11 500	£12 000	£12 500
2						
<b>EXPENDITURE</b>						
1 Purchases	£5 000	£5 250	£5 500	£5 750	£6 000	£6 250
2						
3						
4						
5						
<b>OPENING BALANCE</b>	0					
<b>INCOME minus EXPENDITURE</b>						
<b>CLOSING BALANCE</b>						

[10]

**12** Explain why a Cashflow Forecast is useful to Mr Lindley.

---

---

---

---

---

---

---

---

---

---

**[4]**

**13** Analyse the completed Cashflow Forecast and explain when and why Trendsetters Ltd. might need additional financial support over the coming months.

---

---

---

---

---

---

---

---

---

---

**[4]**

**14** State and justify the most suitable source of finance available to Trendsetters Ltd. to help overcome its cash flow difficulties.

**(a)** Source of finance: \_\_\_\_\_ **[1]**

**(b)** Justification: \_\_\_\_\_

---

---

---

---

---

**[3]**

- 15 Explain how the Cashflow Forecast might change if Trendsetters Ltd sell £1000 more new hiking boots per month than Mr Lindley predicted.

---



---



---



---



---



---

[4]

- 16 The new extension to the factory has now been completed and Trendsetters Ltd has started to produce a range of hiking and leisure footwear.

Mr Lindley has produced the information in Text 4 to help him with his financial planning.

**Text 4**

Building work	£67 000
Electrical & Plumbing	£18 500
Insurance	£ 2 500
Heat and light	£ 3 750
Machinery	£22 800
Maintenance costs	£10 000

Identify which of the listed costs are start-up costs and which are running costs, and insert them in the table below.

Start-up costs	Running costs

[6]

17 State an appropriate method by which Trendsetters could pay for the insurance and spread the cost over the year.

\_\_\_\_\_ [1]

18 State an appropriate method by which Trendsetters could pay for the building work all at once, without having to send a cheque to the builders.

\_\_\_\_\_ [1]

19 Explain the **one** advantage and **one** disadvantage to Trendsetters of being able to use a computer to assist in completing the financial calculations and documents that Maria Swift and Mr Lindley deal with every day.

(a) Advantage: \_\_\_\_\_

\_\_\_\_\_ [2]

(b) Disadvantage: \_\_\_\_\_

\_\_\_\_\_ [2]



**Oxford Cambridge and RSA Examinations**  
**General Certificate of Secondary Education**

**APPLIED BUSINESS: DOUBLE AWARD**  
UNIT 3: Business finance

**1491**

**MARK SCHEME**

**Advice to examiners on marking scripts**

- 1 Please ensure that you use the *final* version of the marking scheme.  
*You are advised to destroy all draft versions.*
- 2 Please mark all post standardisation scripts in red ink. A tick should be used for each answer judged worthy of a mark. The tick should be placed at the point in the answer where the mark has been awarded. The number of ticks should be the same as the number of marks awarded. If two (or more) responses are required for one mark, use only one tick. Half marks should never be used.
- 3 No comments should be written on scripts.  
Remember that scripts may be returned to Centres.
- 4 The marks awarded for each part question should be indicated in the margin provided on the right hand side of the page. The mark total for each question should be ringed at the end of the question, on the right hand side. These totals should be added up to give the final total on the front of the paper.
- 5 Correct answers to calculations should gain full credit even if no working is shown unless otherwise indicated in the mark scheme. (An instruction on the paper to 'Show your working' is to help candidates who may then gain partial credit even if their final answer is not correct.)
- 6 Strike through all blank spaces and/or pages in order to give a clear indication that the whole of the script has been considered.
- 7 An element of professional judgement is required in the marking of any written paper and candidates may not use the exact words that appear in the mark scheme. If the essence is correct *and* answers the question, contact your Team Leader/Principal Examiner for guidance.



Question	Answer	AO	Mark
1	Purchase order completion: <i>[1 mark for each insertion - max 7 1 mark for each calculation - max 3]</i>	AO1	7+3
2	Delivery note errors: <i>[2 marks for each error noted and described]</i>	AO1	3x2
3	Sales Invoice errors: <i>[2 marks for each error noted and described]</i>	AO1	3x2
4	A purchase order form is important as: <ul style="list-style-type: none"> <li>• it is a record of a business transaction.</li> <li>• the customer can keep a copy as a reminder of what has been ordered.</li> <li>• it is also used to match up the delivery when it is made to ensure the correct goods have been sent.</li> <li>• it is also evidence that a legal intention to contract has been made in case of later disputes.</li> <li>• it clearly states what the customer wishes to purchase and often quotes stock numbers which can make life easier when putting the order together.</li> <li>• it can provide the basis of what goes on to the delivery note and invoice too.</li> </ul> <p><i>[max 2 for each reason explained]</i></p>	AO2 AO3	2x2
5	Cheque completed correctly: <ul style="list-style-type: none"> <li>• transfer of correct invoice amount £352.50</li> <li>• Date</li> <li>• 'Lo-Cost Leather Ltd.'</li> <li>• Amount in words</li> <li>• Amount in numbers</li> </ul> <p><i>[Max 4 for correct completion with wrong amount]</i></p>	AO1	5x1
6	<i>Examples:</i> <ul style="list-style-type: none"> <li>• Cash. Unsuitable due to security, handling and audit implications.</li> <li>• Credit transfer. Suitable as it is secure, instant and auditable.</li> </ul> <p><i>[1 mark for each method, up to 3 marks for explanation of suitability]</i></p>	AO1	2x4

Question	Answer	AO	Mark
7	Order form Delivery note Invoice Remittance Advice Statement of Account	AO1	5x1
8	<p>By quoting an <b>incorrect order number</b> Trendsetters Ltd may find it difficult to match the invoice to the goods delivered. This is even more of a problem if these type of goods are ordered regularly from this supplier. Time could be wasted trying to find the correct order. The goods may even be returned to the supplier as it might be assumed they were ordered in error. This could lead to halts in production and loss of sales/profits if stocks of these goods are very low.</p> <p>If <b>100 packs of 10 have been delivered in error, instead of 10</b> then the customer may decide to keep 10 and return the other 90. Notes to this effect should be written on the delivery note to inform the supplier of their mistake. If an invoice for 100 has already been issued, a credit note for the 90 returned will be required. This will cost Trendsetters time = money to sort out with Lo-Cost Leather. If the invoice is paid automatically, cash flow might be affected.</p> <p>The <b>invoice is for 8 instead of 10 rolls</b>. The customer will have the problem of a part-paid order in the accounts and the supplier will waste time and money in issuing an invoice for the other 2 rolls. If the error is not noticed by the supplier, or pointed out by the customer, the supplier will have lost profits from the sale.</p> <p>The <b>£500 calculation should read £50</b>. If the customer does not notice the error he will be paying far too much money which will reduce profits. He may ask for a corrected invoice to be issued or a credit note for the difference.</p> <p>The <b>incorrect VAT</b> could get both the supplier and customer into trouble with HM Customs &amp; Excise for incorrect payments or claims on VAT returns.</p> <p style="text-align: right;"><i>[Max 4 marks for explaining the effect of an appropriate error on Trendsetters]</i></p>	AO3	4

Question	Answer	AO	Mark
9	See back of mark scheme for completed Profit & Loss Sheet. Marks awarded as per sheets. Own figure rule permitted.	AO1 AO2	10
10	Issues addressed could include audit trail, collation of information, accuracy, referral, transfer of information to other party or computerised system.  <i>[Max 2 marks for each reason explained]</i>	AO1	2x2
11	See back of mark scheme for completed Cashflow forecast. Marks awarded as per sheet.	AO1 AO2	10
12	A CFF is useful as: <ul style="list-style-type: none"> <li>• it can help predict the levels of cash available over a period of time;</li> <li>• it can be used as a basis for setting departmental budgets;</li> <li>• it also indicates when a shortfall of cash is likely to occur so that measures can be taken to prevent working capital problems i.e. overdraft facility or short-term loan.</li> </ul> <i>[Max 4 marks for a detailed explanation covering more than one issue]</i>	AO1	4
13	Funds will be needed in February and April to cover a temporary shortfall in cash. The shortfall is very small in both months but after this time projections look healthier.  <i>[up to 4 marks for level of explanation]</i>	AO3	4
14	<b>Overdraft</b> is the best source of finance as it is flexible and interest is only charged when the facility is being used. When the account is in credit again the charges stop.  <i>[1 mark for identification of overdraft, up to 3 marks for explanation]</i>	AO3	1+3

Question	Answer	AO	Mark
15	<p>If they sell more hiking boots than predicted the following might change:</p> <ul style="list-style-type: none"> <li>• Purchases as these are a variable cost that varies with sales</li> <li>• Wages possibly if greater production requires overtime</li> <li>• Heat &amp; Light may if extra hours have to be worked when the factory would normally be closed</li> <li>• Maintenance might have to be increased if the sales increase is significant</li> </ul> <p>Others may change marginally and can be accepted if explained well.</p> <p>Total sales and total expenditure figures will naturally change, as will the balances at the bottom of the CFF.</p> <p>If sales increase there is less likely to be a need for borrowed finance as the cash from sales should change the negative values to positive ones.</p> <p><i>[Max 4 marks for a detailed explanation of how two elements might change or 1 to 2 marks each for briefer explanations of more points]</i></p>	AO3	4
16	<p>Start-up costs are:</p> <ul style="list-style-type: none"> <li>• Building work £67 000</li> <li>• Electrical &amp; Plumbing £18 500</li> <li>• Machinery £22 800</li> </ul> <p>Running costs are:</p> <ul style="list-style-type: none"> <li>• Insurance £2 500</li> <li>• Heat &amp; Light £3 750</li> <li>• Maintenance £10 000</li> </ul>	AO1	6x1
17	<p>Insurance could be paid by:</p> <ul style="list-style-type: none"> <li>• Direct Debit</li> <li>• Standing Order</li> </ul> <p><i>[1 mark for identifying a suitable method]</i></p>	AO1	1
18	<p>Building costs could be paid by:</p> <ul style="list-style-type: none"> <li>• Credit transfer</li> <li>• Corporate credit/debit card</li> </ul> <p><i>[1 mark for identifying a suitable method]</i></p>	AO1	1

Question	Answer	AO	Mark
19(a)	<p><i>Advantages of using a computer:</i></p> <ul style="list-style-type: none"> <li>• Speed</li> <li>• Accuracy</li> <li>• Ease of making changes</li> <li>• Ability to process large volume of data</li> <li>• Professional presentation of information creates good image</li> <li>• Easier communication between users</li> </ul>	AO1	2
19(b)	<p><i>Disadvantages:</i></p> <ul style="list-style-type: none"> <li>• Cost of hardware</li> <li>• Cost of upgrading software</li> <li>• Risk of incompatibility of software between different users</li> <li>• Little flexibility in making changes</li> <li>• Need for specific training</li> <li>• Generation of large volume of data, some of which may not be useful</li> </ul> <p>Computers could be used for printing documents such as purchase orders, invoices and cheques. They could also be used for producing final accounts and cashflow forecasts.</p> <p><i>[Max 2 marks for explaining one advantage, max 2 marks for explaining one disadvantage]</i></p>		2

**Total mark available: 100**

Analysis of marks:

AO1 70

AO2 12

AO3 18

Question 1 – Completed Purchase Order

**Purchase Order**



**Supplier:**

1 mark

Lo-Cost Leather Ltd  
25 Wyvern Way,  
New Town,  
Bedford  
BD3 4JK:

**Trendsetters Ltd**  
**111 Granada Avenue**  
**Salford**  
**Manchester**  
MN11 6AB

**Purchase Order No:** \_\_\_\_\_ **TS001299** \_\_\_\_\_

1 mark

**Date:** \_\_\_\_\_ **23 Nov** \_\_\_\_\_

1 mark

**Supplier No:** \_\_\_\_\_ **123456** \_\_\_\_\_

1 mark

Required by:	Terms
--------------	-------

1 mark

30 Nov

28 days net

Quantity	Units	Description	Unit Price	Total
10	rolls	Pink leather	25	250.00
10	packs of 10	Leather laces	5	50.00
<b>Subtotal</b>				<b>300.00</b>

1 mark

1 mark


1 mark

1 mark

1 mark




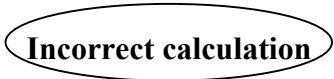
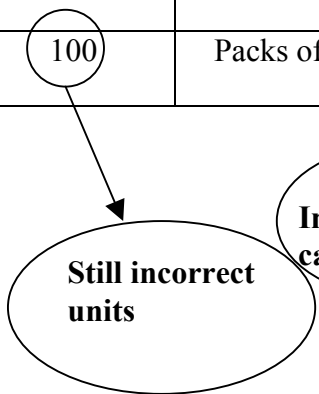
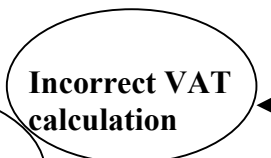
**Question 2 – Delivery Note**

<p><b>Lo-Cost Leather Ltd</b>                  25 Wyvern Way                  New Town                  Bedford                  BD3 4JK</p> 			
<b>Delivery Note</b>		<b>No</b> DN456	<b>Date</b> 30 November 01
Deliver to:  Trendsetters Ltd 150 Granada Avenue Salford Manchester MN11 6AB			
<b>Your order No</b> TS001288	<b>Our ref.</b> LCL987	<b>Delivery date</b> 30.11.01	<b>Terms</b> 28 days net
<b>Quantity</b>	<b>Units</b>	<b>Description</b>	<b>Comments</b>
10	Sheets	Pink Leather	
100	Packs of 10	Leather boot laces (pairs)	
<p><b>Signature:</b></p>			

ERRORS FOUND: any three errors – circle error 1 mark, describe 1 mark.  
 Max 6 marks

- Incorrect order number
- Incorrect quantity of boot laces
- Incorrect units of leather
- Incorrect address number

**Question 3 – Sales invoice**


<p><b>Lo-Cost Leather Ltd</b>                  25 Wyvern Way                  New Town                  Bedford                  BD3 4JK</p> 				
<b>Sales Invoice No.</b>		232324	<b>Date</b> 07 December 01	
Invoice to:  Trendsetters Ltd 111 Granada Avenue Salford Manchester MN11 6AB				
<b>Your order No</b> TS001299	<b>Our ref.</b> LCL987	<b>Delivery date</b> 30.11.01	<b>Terms</b> 28 days net	<b>Delivery No</b> DN456
<b>Quantity</b>	<b>Units</b>	<b>Description</b>	<b>Unit price</b>	<b>Price</b>
10	Rolls	Pink Leather	£25.00	£200.00
100	Packs of 10	Leather boot laces (pairs)	£5.00	£500.00
 			<b>Sub total</b>	£700.00
			<b>VAT</b> @ 17.5%	£70.00
			<b>Total</b>	£770.00

**ERRORS FOUND:**

- Incorrect sub-total of boot laces
- Incorrect VAT calculation
- Calculations

*1 mark per appropriate error circled, 1 mark per description. Max 6 marks.*

Question 5 – Cheque completion

 <b>Newtown Bank plc</b> 7 Back Street Manchester MN14 5DS	<b>16-32-00</b>	
Date <u>invoice date</u>		
Pay <u>Leon's Leather</u>		
<u>Four hundred and thirty</u> <u>pounds and ten (10) pence</u>	<b>£ 4 3 0 . 1 0</b>	
	Trendsetters Ltd	
	<u>Already signed</u>	
Cheque Number <b>0000187</b>	Sort Code <b>16-32-00</b>	Account Number <b>1002468</b>

**QUESTION 9 Profit and Loss Sheet**

**Trendsetters Ltd**  
**Profit and Loss Account for the year ending 31 December 2001**

<b>Sales</b>		<b>£ 150 000</b>
<b>Cost of sales</b>		<b>£ 80 000</b>
<b>Gross Profit</b>		<b>£ 70 000</b>
<b>Expenses</b>		
<b>Rent</b>	<b>£ 10 000</b>	
<b>Wages</b>	<b>£ 30 000</b>	
<b>Other expenses</b>	<b>£ 5 000</b>	
		<b>£ 45 000</b>
<b>Net Profit</b>		<b>£ 25 000</b>



