Week 3 Assignment

The due date for submitting the assignment has passed. As a courtesy, we have not submitted this assignment.

Due on 2019-02-21, 23:59 IST.

1. Profit and loss.  
   Cash sales of $1000.  
   Opening inventory of $500.  
   Closing inventory of $700.  
   All of the above.  
   [1 point]

2. Which of the following financial statement shows the profitability of a business?  
   Income statement  
   Cash flow statement  
   Balance sheet  
   Statement of retained earnings  
   [1 point]

3. Which of the following statement is incorrect?  
   EBIDTA is a measure to evaluate a company's operating performance.  
   IRR is a method to evaluate the time value of money.  
   ROE is a measure of the operating income.  
   ROE is an evaluation of the company's operating performance.  
   [1 point]

4. What is the measure of time?  
   Operating profit - Profit for non-operating items - Non-operating incomes  
   Operating profit - Non-operating profit - Non-operating incomes  
   Operating profit - Net profit - Non-operating incomes - Non-operating expenses  
   Operating profit - Net profit - Non-operating incomes - Non-operating expenses  
   [1 point]

5. A product is a cost of sales and it is a utility due to its passage of time, natural wear and tear, exhaustion of the subject matter.  
   [1 point]

6. Depreciation is a  
   Cash expense  
   Non-cash expense  
   National expense  
   None of the above.  
   [1 point]

Following are the details of HELP, Prepare Profit and Loss Statement from the information provided below and answer the following question. Please note that all amounts are in $, unless otherwise stated.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>20,000</td>
</tr>
<tr>
<td>Less: Sales and other expenses</td>
<td>9,500</td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>8,500</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>1,100</td>
</tr>
<tr>
<td>Expenses</td>
<td>900</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>200</td>
</tr>
<tr>
<td>Depreciation</td>
<td>60</td>
</tr>
<tr>
<td>Profit from Operations</td>
<td>140</td>
</tr>
<tr>
<td>Interest Income</td>
<td>500</td>
</tr>
<tr>
<td>Taxation</td>
<td>200</td>
</tr>
<tr>
<td>Net Profit</td>
<td>190</td>
</tr>
<tr>
<td>Less: Dividends and other Expenditures</td>
<td>140</td>
</tr>
<tr>
<td>Earnings Before Interest and Tax</td>
<td>50</td>
</tr>
</tbody>
</table>

1. What is the EBIT (Earnings Before Interest and Tax) of HELP?  
   [1 point]