

# Company A and Company B comparison sheet

	<u>Company A</u>	<u>Company B</u>
<b>Revenue</b>		
Cash Sales	10,000	2,000
Credit Sales (Ref 1)	nil	8,000
<i>Total Revenue</i>	<u>10,000</u>	<u>10,000</u>
Cash Purchases	6,000	9,000
Closing Stock	<u>(£1,000)</u>	<u>(£4,000)</u>
Cost of Goods Sold	<u>5,000</u>	<u>5,000</u>
<b>GROSS PROFIT</b>	<b>5,000</b>	<b>5,000</b>
<b>Less Expenses:</b>		
Depreciation	1,500	1,500
Rent (Ref 2)	500	500
Other Expenses	<u>500</u>	<u>500</u>
<i>Total Expenses</i>	<u>2,500</u>	<u>2,500</u>
<b>NET PROFIT</b>	<b>2,500</b>	<b>2,500</b>

Ref 1 - £2k of Company B's credit sales were unpaid at end of period

Ref 2 - All Company A's rent was paid in cash but half of Company B's rent has been accrued

