3.5 Financial statements: the income statement and statement of financial position: 10-minute Pack

AQA 8132 · Calculator allowed · about 10 minutes

Total Marks

Name: _____ Date: ____ / ____ / _____

Answer ALL questions in the spaces provided. Show your working for every calculation: method marks are available even if your final answer is wrong. Willowmere Garden Centre, used throughout this pack, is a fictional business.

1 Which financial statement shows a business's revenue, costs and profit over a period of time, such as a year?

- ☐ A) The statement of financial position
- ☐ B) The statement of comprehensive income (income statement)
- ☐ C) A cash-flow forecast
- ☐ D) A break-even chart

(Total for Question 1 is 1 mark)

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2 Which financial statement shows what a business owns and owes at a single point in time?

- ☐ A) The statement of financial position (balance sheet)
- ☐ B) The statement of comprehensive income
- ☐ C) A cash-flow forecast
- ☐ D) A break-even chart

(Total for Question 2 is 1 mark)

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3 Which one of the following best describes 'non-current assets'?

- ☐ A) Items a business expects to use for more than one year, e.g. premises and vehicles
- ☐ B) Cash held in the bank
- ☐ C) Money owed to a business by its customers
- ☐ D) Money a business owes to suppliers within one year

(Total for Question 3 is 1 mark)

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4 Which one of the following best describes 'current liabilities'?

- ☐ A) Assets expected to be used for more than one year
- ☐ B) Debts a business must repay within one year, e.g. trade payables and an overdraft
- ☐ C) The total value of a business's non-current assets
- ☐ D) Profit retained in the business

(Total for Question 4 is 1 mark)

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5 State two groups of people (stakeholders) who might want to look at a business's financial statements.

(Total for Question 5 is 2 marks)

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6 State two examples of items that would typically be included in 'cost of sales' for a garden centre like Willowmere.

(Total for Question 6 is 2 marks)

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Mark scheme · 3.5 Financial statements: the income statement and statement of financial position: 10-minute Pack

Question 1

B cao **B1**

Answer: B

Question 2

A cao **B1**

Answer: A

Question 3

A cao **B1**

Answer: A

Question 4

B cao **B1**

Answer: B

Question 5

banks/lenders, e.g. to decide whether to lend money **B1**

HMRC (tax authorities), shareholders/owners, or suppliers (any one) **B1**

Answer: Any two, e.g. banks/lenders; HMRC; shareholders/owners; suppliers.

Question 6

the wholesale cost of plants/stock bought in to sell **B1**

delivery costs of bringing that stock to the garden centre (direct costs of the goods sold) **B1**

Answer: Any two, e.g. wholesale cost of plants/stock; delivery costs of that stock.

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