

Trading Account

1. Trading Account reveals (1)_____ profit or (2)_____ loss.
2. Excess debit over credit in the trading account represents a (3)_____.
3. Return outwards are deducted from (4)_____.
4. Factory wages will appear in the (5)_____ side of trading account.
5. Stock is usually valued at (6)_____ price or (7)_____ price, whichever is lower.
6. (8)_____ equals to sales minus cost of goods sold.
7. (9)_____ = cost of goods available for sales less gross profit.
8. Trading account is charged with all (10)_____ expenses.
9. The closing stock at the end of the year is the (11)_____ stock for subsequent year.
10. Sales are transferred to the (12)_____ side of Trading Account

cost Cost of goods sold credit debit direct gross gross gross loss Gross
profit market opening Purchases

Key

Trading Account

1. Trading Account reveals gross profit or gross loss.
2. Excess debit over credit in the trading account represents a gross loss.
3. Return outwards are deducted from Purchases.
4. Factory wages will appear in the debit side of trading account.
5. Stock is usually valued at cost price or market price, whichever is lower.
6. Gross profit equals to sales minus cost of goods sold.
7. $\text{Cost of goods sold} = \text{cost of goods available for sales} - \text{gross profit}$.
8. Trading account is charged with all direct expenses.
9. The closing stock at the end of the year is the opening stock for subsequent year.
10. Sales are transferred to the credit side of Trading Account