

1. The following are the extracts from the income statements of Bright Ltd. For the 6 years ending 1999. You are required to calculate trend percentages, taking 1994 as the base year and give two major conclusions you can draw.

Particulars	1994	1995	1996	1997	1998	1999
Sales	300	340	420	480	520	600
Cost of Goods Sold	180	204	256	287	300	330
Office Expenses	40	42	45	50	55	60
Selling Expenses	20	25	30	40	50	60
Net Profit	60	69	89	103	115	150

Solution

Particulars	1994	1994	1995	1995	1996	1996	1997	1997	1998	1998	1999	1999
Sales	300	100	340	113.3	420	140.0	480	160.0	520	173.3	600	200.0
Cost of Goods Sold	180	100	204	113.3	256	142.2	287	159.4	300	166.7	330	183.3
Office Expenses	40	100	42	105.0	45	112.5	50	125.0	55	137.5	60	150.0
Selling Expenses	20	100	25	125.0	30	150.0	40	200.0	50	250.0	60	300.0
Net Profit	60	100	69	115.0	89	148.3	103	171.7	115	191.7	150	250.0