

KJ owns his own shop, KJ's Corner Shop – in a small shopping centre near his home. He rents the space for a monthly amount. He works in the shop at the cash register and takes a very small salary. He has one person working in the bakery, one person in the deli and one cleaner. The deli offers cooked meats, salads and cheeses. The bakery offers a variety of baked goods. The store also offers general items such as cleaning products, toilet paper, cold drinks and so on.

Study the income and expenditure statement for KJ's Corner Shop below and then answer the questions that follow. (All values given are in rand)

| | February 2016 | March 2016 | April 2016 |
|---------------------------|---------------|---------------|---------------|
| Income | | | |
| Deli Sales | 8 456 | 9 678 | 11 450 |
| Bakery Sales | 7 680 | 7 854 | 9 876 |
| General Sales | 13 450 | 12 976 | 13 450 |
| Total income | 29 586 | 30 508 | 34 776 |
| Expenses | | | |
| Cost of goods sold: | | | |
| Deli goods | 3 680 | 4 127 | 5 356 |
| Bakery goods | 2 346 | 2 856 | 3 799 |
| General goods | 4 989 | 4 125 | 5 055 |
| Salaries and wages | 3 950 | 3 950 | 3 950 |
| Electricity, water, rates | 3 250 | 3 140 | 3 360 |
| Advertising | 1 000 | 1 000 | 1 000 |
| Maintenance | 750 | 1 250 | 400 |
| Rent | 4 000 | 4 000 | 4 000 |
| Total expenses | 23 965 | 24 448 | 26 920 |
| Net profit / loss | 5 621 | 6 060 | 7 856 |

- Show how the total income for February was calculated.
- Show how the net profit for March was calculated.
- Which goods bring in the highest income?
- What profit was made from General sales over the three-month period?
- Calculate the total profit made over the three-month period.
- Suggest a possible reason for the increase in bakery sales from March to April.
- The property owner has decided to increase rental by 6,8%. Calculate the new rental amount for the store each month.
- KJ, the owner of the shop, wants to increase his advertising budget by R300 each month. Calculate this as a percentage.
- Do you think that he needs to spend so much money on advertising every month? Suggest a reason for your answer.
- Suggest an example of what may be included in "maintenance" expenses.
- Do you think there is enough money available to hire a part-time till worker? Suggest a reason for your answer.
- By how much did KJ's profit increase from February to April?
- Calculate the increase in profit from March to April as a percentage.
- Which expenses decreased from February to March?
- Which expense decreased from March to April?
- How can KJ use this income and expense statement to budget his expenses for May?