

The following balances were extracted from the books of Sunset Designs, Christine's home renovation company. The financial year ends on 31 March 2021.

	1 April 2020	31 March 2021
Commission income received in advance	900	1 100
Prepaid utilities expense		400
Utilities expense payable	280	

The following information was provided:

- 1 On 30 November 2020, the business received cheques for commission income totalling \$5 700.
- 2 The monthly utilities expense was \$500.

REQUIRED

- (a) Calculate the utilities expense incurred for the year ended 31 March 2021.
- (b) Prepare the journal entries to account for the following accounts for the financial year ended 31 March 2021 including the closing entry. Narrations are not required.
 - (i) Commission income
 - (ii) Utilities expense
- (c) Prepare an extract of the statement of financial performance for the year ended 31 March 2021.
- (d) Prepare an extract of the statement of financial position as at 31 March 2021.
- (e) State the accounting concept which explains the need to account for year-end adjustments for income and expenses.