

INCOMPLETE RECORDS

1. *Determine the purchase for the year*

Total Creditors

acc

Discount received	12 000	Balance b/d	445 000
Returns outwards	25 000	Credit purchase	1 612 000
Cash paid	1 400 000		
Bal c/d	<u>620 000</u>		
	<u>2 057 000</u>		<u>2 057 000</u>

Credit purchases 1 612 000

Cash purchase(add) 800 000

Total purchase 2 412 000

2.

MALEYA TRADERS STATEMENT OF AFFAIRS AS at 31 st December, 2004			
	Kshs.		Kshs.
Assets		Liabilities	
Stock	8,000	Creditors	6,000
Cash at bank	4,000		
Premises	<u>90,000</u>	Capital	<u>96,000</u>
	102,000		<u>102,000</u>

3. (a) *Statement of affairs 31st Dec. 2009*

RODI TRADERS STATEMENT OF AFFAIRS AS AT 31 ST DEC. 2009			
<u>Assets</u>		<u>Liabilities</u>	
Debtors		Creditors	50,000
30,000		Bank overdraft	80,000
Buildings		Rent due	10,000
870,000		Capital	<u>70,000</u>
Salaries prepaid			<u>910,000</u>
10,000			

(b) *Prepare net profit*

closing capital – opening capital
 $770,000 - 550,000 = \text{kshs. } 22,000$

4.

Balance sheet	Statement of affairs
<ul style="list-style-type: none"> • Actual values of items listed • Items listed as fixed long term and short term • Actual presentation of book –keeping equations • Prepared from complete end year records 	<ul style="list-style-type: none"> • Values are estimated • Items not listed as long term, fixed or short term • Book keeping equation employed to determine capital • Prepared from incomplete records

INCOMPLETE RECORDS

1. Working:

Trade debtors account			
Balance b/f	75,000	Receipts	170,000
Credit sales	210,000	Balance c/f	115,000
	285,000		285,000
Total sales = credit + cash sales $= 210,000 + 47,500 = 257,500$			
Trade creditors account			
Payments	250,000	Balance c/f	100,000
balance c/f	125,000	purchases	275,000
	375,000		375,000

Kemoko Traders			
Trading and loss account for the period ended 31/12/2008			
Opening stock	45,000	Sales (W1)	257,500
Add: Purchases (Wii)	<u>275,000</u>	Gross loss c/f	35,000
Cost of good available	320,000		
Less: Closing stock	<u>27,500</u>		
Cost of goods sold	<u>292,500</u>		29,500
Gross loss b/f	35,000		
Rent & rates	5,000	Commission received	65,000
Sundry expenses	4,000		
Wages	7,750		
Lighting	3,750		
Insurance	2,500		
Net profit c/f	7,000		
	65,000		65,000

2. *Five distinctions between statement of Affairs and a balance sheet ;*

Balance sheet	Statement of affairs
i) Prepared from accounting records of double entry	i) Prepared from single entry
ii) prepared to determine the financial position	ii) Prepared mainly to get the capital
iii) Prepared from accurate records of trial balance	iii) Prepared mainly from estimates of incomplete records

iv)Relates to both small and big bossiness which keep accurate records	iv)Relates mostly to small business which do not keep complete records
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