**INCOMPLETE RECORDS**

***1. Determine the purchase for the year*** Total Creditors acc

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

Credit purchases 1 612 000

Cash purchase(add) 800 000

Total purchase 2 412 000

2.

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

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

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

***(b) Prepare net profit***

closing capital – opening capital

770,000 – 550,000 = kshs. 22,000

***4.***

|  |  |
| --- | --- |
| Balance sheet | Statement of affairs |
| * Actual values of items listed * Items listed as fixed long term   and short term   * Actual presentation of book –keeping   equations   * Prepaid from complete end year   records | * 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  Credit sales 210,000 | Receipts 170,000  Balance c/f 115,000 |
| 285,000 | 285,000 |
| Total sales = credit + cash sales  = 210,000 + 47500 = 257500 | |

|  |  |
| --- | --- |
| Trade creditors account | |
| Payments 250,000  balance c/f 125,000 | Balance c/f 100,000  purchases 275,000 |
| ***375,000*** | ***375,000*** |

|  |  |
| --- | --- |
| Kemoko Traders  Trading and loss account for the period ended 31/12/2008 | |
| Opening stock 45,000  Add: Purchases (Wii) 275,000  Cost of good available 320,000  Less: Closing stock 27,500  Cost of goods sold 292500  Gross loss b/f 35,000  Rent & rates 5,000  Sundry expenses 4,000  Wages 7,750  Lighting 3,750  Insurance 2,500  Net profit c/f 7,000 | Sales (W1) 257,500  Gross loss c/f 35,000  29500  Commission received 65,000 |
| 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  ii)prepared to determine the financial position  iii)Prepared from accurate records of trial balance  iv)Relates to both small and big bossiness which keep accurate records | i)Preps red from single entry  ii)Prepared mainly t get the capital  iii)Prepared mainly from estimates of incomplete records  iv)Relates mostly to small business which do not keep complete records |