**28 - INCOMPLETE RECORDS**

***The topic entails:***

* **Meaning of incomplete record, giving examples and explain how they come about.**
* **Explaining the meaning of a statement of affair and show the difference between statement of affairs and balance sheet.**
* **Preparation of statement of affairs**
* **Identifying the items used in updating the records**
* **Prepare financial statement from the updated records.**

1. The bookkeeper of Chacha Traders extracted the following information form the accounting

records:-

**1/1/2009 31/12/2009**

Suppliers 445,000 620,000

Discount received - 12,000

Purchases returns - 25,000

During the year ended 31/12/2009, suppliers were paid shs.1,400,000 while cash purchases

Amounted to shs.800,000. Determine the purchase for the year

2. On 31st January 2004, Maleya Traders had a capital of Kshs.65000. At the end of the year, the

following balances were available:-

**Kshs.**

Stock 8,000

Creditors 6,000

Cash at bank 4,000

Premises 90,000

**Prepare a statement of affairs on 31st December 2004**

3. On 1st January 2009, Rodi Traders had a capital of shs 550 000 at the end of the year.

The following balances were available

**Items** **31.12.2009**

**Shs.**

Creditors 50 000

Debtors 30 000

Bank overdraft 80 000

Buildings 870 000

Rent due 10 000

Salaries prepaid 10 000

i) Prepare statement of affairs as at 31.12.2009

ii) Determine the net profit for the year

4. Highlight **four** differences between a balance sheet and statement of affairs

**28. INCOMPLETE RECORDS**

1 **Kemoko**, a trader does not keep a complete set of accounting records. A summary of his bank

account for the year ended 31st Dec. 2008 is given below:

**Bank account summary**

Cash sales 47,500 Balance b/f 30,000

Trade debtors 170,000 Trade creditors 250,000

Commission 65,000 Rent & Rates 5,000

Balance c/f 20,500 Sundry expenses 4,000

Wages 7,750

Lighting 3,750

Insurance 2,500

**303,000 303,000**

**The following information was also available:-**

|  |  |  |
| --- | --- | --- |
|  | **01/01/08** | **31/12/08** |
| Stock  Creditors  Debtors  Machinery & Equipment | 45,000  100,000  75,000  432,000 | 27,500  125,000  115,000  425,000 |

***Required: -Prepare Kemoko’s Trading, profit and loss account for the year-ended 31st Dec. 2008***

2. Explain **five** distinctions between statement of Affairs and a balance sheet