**INCOMPLETE RECORDS**

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

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

Credit purchases 1 612 000

Cash purchase(add) 800 000

Total purchase 2 412 000

2.

|  |
| --- |
| MALEYA TRADERSSTATEMENT OF AFFAIRSAS at 31st December, 2004 |
|  Kshs. Assets Stock 8,000Cash at bank 4,000Premises 90,000 102,000 |  Kshs.LiabilitiesCreditors 6,000Capital 96,000 102,000 |

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

|  |
| --- |
| RODI TRADERSSTATEMENT OF AFFAIRSAS AT 31ST DEC. 2009 |
| AssetsDebtors 30,000Buildings 870,000Salaries prepaid 10,000 | LiabilitiesCreditors 50,000Bank overdraft 80,000Rent due 10,000Capital 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 75,000Credit sales 210,000 | Receipts 170,000Balance c/f 115,000 |
|  285,000 |  285,000 |
| Total sales = credit + cash sales= 210,000 + 47500 = 257500 |

|  |
| --- |
| Trade creditors account |
| Payments 250,000balance c/f 125,000 | Balance c/f 100,000purchases 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 320,000Less: Closing stock 27,500Cost of goods sold 292500Gross loss b/f 35,000Rent & rates 5,000Sundry expenses 4,000 Wages 7,750Lighting 3,750  Insurance 2,500Net profit c/f 7,000  | Sales (W1) 257,500Gross loss c/f 35,000 29500Commission 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 entryii)prepared to determine the financial positioniii)Prepared from accurate records of trial balanceiv)Relates to both small and big bossiness which keep accurate records | i)Preps red from single entryii)Prepared mainly t get the capitaliii)Prepared mainly from estimates of incomplete recordsiv)Relates mostly to small business which do not keep complete records |