3 Rahul owns a retail business. He has not maintained full accounting records. He is able to supply the following information about the financial year ended 31 January 2024.

1 Valuation of inventories

1 February 2023	31 January 2024
$21 400	$19 800

2 Rahul sells goods so as to achieve a gross profit margin of 40%.

3 The usual rate of inventory turnover is 9 times a year.

(a) Calculate the revenue for the year ended 31 January 2024.

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Additional information

Rahul has not kept a record of his cash drawings during the year ended 31 January 2024. However, the following information is available concerning cash transactions.

1 On 1 February 2023 there was cash in hand of $840.

2 Cash sales accounted for 70% of all sales.

3 Bank statements recorded total cash takings of $187 300 for the year ended 31 January 2024. However, at 31 January 2024 there were cash takings banked but not yet credited of $3800.

4 Cash was used to pay a part-time assistant's wages of $320 per week. The assistant worked for 44 weeks during the year ended 31 January 2024.

5 At 31 January 2024 cash in hand was $1830.

(b) Calculate Rahul's cash drawings for the year ended 31 January 2024.

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Additional information

Rahul's accountant has suggested he should start keeping full accounting records and that he should use an accounting software package.

(c) State **two** ways in which Rahul will benefit from the accountant's suggestions.

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2 ....

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[2]

(d) Explain **two** possible reasons for not accepting the accountant's suggestions.

1 ....

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2 ....

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[4]