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|-----------------------------------|--------|
| | \$ |
| Cash in hand at 1 July 2013 | 3 270 |
| Cash in hand at 30 June 2014 | 2 349 |
| Cash receipts and payments: | |
| Vehicle repairs | 2 400 |
| Fuel payments for vehicles | 14 301 |
| Driver's wages | 4 748 |
| Rent of a garage | 1 600 |
| Sundry expenses | 2 972 |
| Drawings | 11 450 |
| Receipts from sale of old vehicle | 1 300 |
| Cash stolen by Asif's driver | 430 |
| Cash received from customers | ? |

(a) Prepare Asif's cash account for the year ended 30 June 2014.

[7]

REQUIRED

(c) Prepare Asif's income statement for the year ended 30 June 2014.

[12]

Additional information

Asif is considering introducing a system of credit control.

REQUIRED

(d) Explain the benefits this may bring to the business.

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..... [4]

(e) State **two** ratios that Asif could use to measure the profitability of his business.

1

2 [2]