

- 1 Rafiq owns a retail business. When the business was opened a few years ago, Rafiq maintained only minimal accounting records.

**REQUIRED**

- (a) State **two** reasons why the owner of a business might maintain minimal accounting records.

1 .....

.....

2 .....

.....

[2]

- (b) Identify **four** benefits of maintaining full accounting records.

1 .....

2 .....

3 .....

4 .....

[4]

**Additional information**

More recently Rafiq has been able to provide more detailed financial information.

- 1 On 1 January 2021, the business's assets and liabilities were as follows:

	\$
Cash in hand	840
Bank overdraft	1 390
Furniture and fittings at valuation	22 710
Trade payables	11 870
Inventory	14 430
Rent prepaid	1 250