**3** Khaled opened his business on 1 January 2021 with a capital of \$41000. He did not maintain a full set of accounting records.

Khaled wishes to know his profit or loss for the year ended 31 December 2021. He has provided the following information.

1 Assets and liabilities at 31 December 2021

	\$
Bank overdraft	3470
Bank loan	8500
Inventory	18450
Non-current assets (carrying value)	27 500
Trade payables	9940
Trade receivables	7230

- 2 Non-current assets include a motor vehicle. This vehicle had been privately owned by Khaled but during 2021 it was transferred to the business at a valuation of \$9000.
- 3 During 2021 Khaled's drawings were \$14870.

## **REQUIRED**

(a)

Calculate the business's profit or loss for the year ended 31 December 2021.
[7]

## **Additional information**

During 2022 Khaled kept more detailed records but could not provide a figure for revenue. The following information is available at 31 December 2022.

Inventory at 31 December 2022 16 250
Purchases 148 300

Khaled's policy is to mark-up all goods by 50%.

## **REQUIRED**

(b)	Calculate revenue for the year ended 31 December 2022.	
		[4]
(c)	State <b>two</b> advantages to a business of maintaining a full set of accounting records.	
	1	
	2	
		[2]
(d)	State <b>two</b> disadvantages to a business of maintaining a full set of accounting records.	
	1	
	2	
		 [2]