**Illustration 2.1**

Henry Mugo started business on 1st January 2022 with Kshs 100,000 in cash

2nd January: Transferred Kshs 80,000 to a newly opened bank account

3rd January: Received a cheque for Kshs 200,000 from his uncle Ben as a loan

4th January bought office furniture for Ksh 120,000 paying by cheque

5th January bought computers worth Ksh 150,000 on credit from TKL dealers

6th January Issued a cheque for Kshs 50,000 in part payment of TKL’s debt

Wakil traders opened a shop in Ikimo on July 2022.The following transactions took place during the month of July 2022.

1st July 13: Introduced sh .200, 000 in cash into the business from his private bank.

account.

2nd July 13 Opened a business bank account by transferring sh.18, 000 of the business

into the account.

5th July 13 Paid sh 5,000 in cash being rent for the month

6th July 13 Bought second hand shop equipment at sh.3, 000 and paid by cheque.

9th July 13 Purchased goods for resale at sh.10, 000 paying for them in cash.

9th July 13 Purchased goods for resale on credit worth sh.20, 000 to Emily Nyokabi.

20th July 13 Returned goods with sh. 2,000 to Emily Nyokabi.

23rd July 13 Made cash sales of sh 15,000.

25th July 13 Paid Emily sh.16,000 in cash..

26th July 13 Sold on credit goods worth sh.10, 000 to Fresha Wanjiku.

27th July 13 Fresha Wanjiku returned goods worth sh. 5,000.

28th July 13 Received a cheque for sh. 4,500 from Fresha Wanjiku

30th July 13 Made cash withdrawal of sh.1, 500 for his private use