

BS / BF 120 TEST ONE 2024

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Free advise

For some of you the paper was hard but don't let that distract or worry you, ~~be~~ rather treat that as your learning curve and improve on the next test which test 2 and sessional. Never give up you ~~can~~ will do better next time.

EXCELLENCE TUTORIALS

UNCLE JAY THE ACCOUNTANT



0967567367

0975013740

workings

1.

payables		alc
		k
		Balance b/f 24 183
Payments	[212 130]	Credit purchases 222 602
Amount looking for		
Balance c/d 34 655		
246 785		246 785

$$\text{Credit} = (254\ 192 - 31\ 590)$$

$$\text{Purchases} = 222\ 602$$

9.

Receivables		alc	
	k		k
Balance B/f	2700	Cash	15 300
Sales	16 500		
		Balance c/d [3900]	- closing balance looking for
	<u>19 200</u>	<u>19 200</u>	
Balance b/d 3900			

SECTION A

1. A (K212 130)
2. B (Annual Budget)
3. D (Drawing always reduce owners capital)
4. A (Receivables are Assets and an overdraft is a Liability)
5. A (Assets and Liabilities)
6. B (Assets and Capital)
7. C (A Credit note)
8. C (The receipt of an invoice for rent payable by the business)
9. B (K3,900)
10. B (Debit entries decrease income and increase assets)

Suggested Solutions

SECTION B

QUESTION ONE

(a)

Aqua Clear Ltd's

Updated Cash Book

	K000'		K000'
Balance b/f	1650	Insurance s. order	200
Cheque 102 overcast	1000	Bank Charges	50
Dividend Received	600		
		Balance c/d	3000
	3250		3250
Balance b/d	3000		

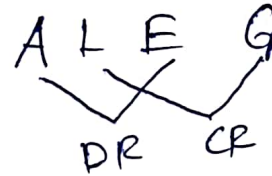
(b) AquaClear Ltd's

Bank Reconciliation Statement as at 31st January, 2024.

	K 000'	K 000'
Balance as per Bank Statement		5000
Add: <u>Uncredited Cheques</u>		
Cheque 103	500	
Cheque 45	<u>500</u>	
		<u>1000</u>
		6000
Less: <u>Unpresented Cheques</u>		
Cheque 100	2000	
Cheque 101	<u>1000</u>	
		<u>(3000)</u>
Balance as per Bank updated Cash Book		<u><u>3000</u></u>

QUESTION TWO

Sweet Corn Sole Trader's



Trial Balance as at 31st December, 2023

<u>Details</u>	<u>DR K</u>	<u>CR K</u>
Inventory	5500	
Returns Inwards	3360	
Returns outwards		2440
Purchases	45500	
Sales		56800
Capital		12600
Building at Cost	19000	
Fixtures and fittings	10630	
Motor vehicles at Cost	12500	
10% Debenture		28000
Tax payable		9439
Bank Overdraft		7000
Trade Receivables	8520	
Cash Drawings	3820	
Trade payables		9800
Heat and light	950	
Business rates and rent	600	
Insurance	500	
Cash on hand	900	
Advertising	700	
Salaries	5630	
Other operating expenses	400	
Discount allowed	480	
Discount Received		691
Commission Received		230

Totals

119 000

119 000

Hence Balanced

(b) Sweet Corn Sole Trader's

Income Statement for the year ended 31st December, 2023

	K	K	K
Sales		56 800	
less: Returns inwards		(3 800)	
Net sales			53 440
<u>Cost of sales</u>			
Opening Inventory		5 500	
Purchases	45 500		
less: Returns outwards	(2 440)		
Net purchases		43 060	
Cost of goods available for sale		48 560	
less: Closing Inventory		(4 900)	
less: Cost of sales			(43 660)
Gross Profit			9 780
Add: <u>Other incomes</u>			
Discount Received		691	
Commission Received		230	
Total incomes			921
Total Gross income / profit			10 701
less: <u>Expenses</u>			
Heat and light		950	
Business rates and rent		600	
Insurance		510	
Advertising		700	
Salaries		5630	
Discount allowed		480	
Other operating costs		400	
Net profit Total expenses			(9 270)
Net Profit			<u>1 431</u>

(c) Sweetcorn' Sole Trader's

Statement of financial position as at 31st December, 2028.

<u>Non-Current Assets</u>	<u>Cost K</u>	<u>Dep K</u>	<u>NBV K</u>
Buildings	19 000	—	19 000
Fixtures and fittings	10 630	—	10 630
Motor vehicles	12 500	—	12 500
	42 130	—	42 130
<u>Current Assets</u>			
closing Inventory		4 900	
Trade Receivables		8 520	
Cash on hand		900	
Total Current Assets			14 320
Total Assets			<u>56 450</u>
<u>Capital and Liabilities</u>			
Financed by :			
Capital			
At Net Profit	12 600		
less: Drawings	14 31		
Capital Employed	(3820)		
<u>Non-Current Liability</u>			
10% Debenture		10 211	
		20 000	
<u>Current Liabilities</u>			
Trade payables	9 800		
Tax payables	9 439		
Bank overdraft	7 000		
Total Current Liabilities		26 239	
Total Capital and Liabilities			<u>56 450</u>