

Incomplete Records - 2

- 1 A trader provided the following information.

Net assets at start of year	\$8000
Drawings – cash	\$2100
Drawings – goods	cost \$50, selling price \$90
Net assets at end of year	\$8200

What was his profit for the year?

A \$1950

B \$2210

C \$2350

D \$2390

[1]

- 2 A business provided the following information.

	\$
Sales	3000
Opening inventory	400
Closing inventory	700
Mark-up	50%

What were the purchases for the year?

A \$1200

B \$1700

C \$1800

D \$2300

[1]

- 3 Elzevir had been in business for only four months when a fire destroyed all of his inventory. In that period his sales were \$1200. He paid \$820 to suppliers and a supplier's invoice for \$70 was unpaid. His cost of sales was \$800.

What was the cost of the inventory which was destroyed?

A \$50

B \$90

C \$310

D \$380

[1]

4 How is profit for the year calculated?

A closing capital + drawings – opening capital

B closing capital – drawings – opening capital

C opening capital + drawings – closing capital

D opening capital – drawings – closing capital

[1]

5 A statement of financial position showed the following.

	\$
Non-current assets	190 000
Non-current liabilities	27 000
Current assets	56 000
Current liabilities	71 000

What was the owner's capital?

A \$90 000

B \$148 000

C \$178 000

D \$232 000

[1]

6 Abdul started a business by transferring his own vehicle to the business at a valuation of \$9000 and introducing a sum of cash.

In the first year of trading profit was \$2000. At the end of the first year the balance on his capital account was \$51 000.

How much cash did Abdul introduce?

A \$40 000

B \$44 000

C \$58 000

D \$62 000

[1]

- 7 Emily is a trader. She provided the following information on 30 April 2014.

	\$
non-current assets	25 000
current assets	15 000
current liabilities	12 000

Her capital on 1 May 2013 was \$20 000. She did not make any drawings during the year.

What was Emily's profit for the year ended 30 April 2014?

- A** \$8000
- B** \$23 000
- C** \$32 000
- D** \$48 000 [1]

- 8 A trader's profit for the year was \$15 600. Revenue was \$40 000 and overhead expenses were \$10 000.

What was the cost of sales?

- A** \$14 400
- B** \$24 400
- C** \$25 600
- D** \$30 000 [1]

- 9 On 1 January Omar had capital of \$23 000.

During the year ended 31 December Omar introduced \$2500 as extra capital and \$1500 was paid by the business for building work to Omar's house.

What was Omar's capital on 31 December?

- A** \$23 000
- B** \$24 000
- C** \$25 500
- D** \$27 000 [1]

10 A trader sets his selling price by adding a profit figure on to the cost price.

How does he do this?

A by applying margin

B by applying mark-up

C by using the current ratio

D by using the quick ratio

[1]

11 A trader provides the following information for the year ended 30 April 2012.

	\$
sales	60 000
expenses	15 000
profit for the year	10 000

What is the cost of sales for the year ended 30 April 2012?

A \$25 000

B \$35 000

C \$45 000

D \$50 000

[1]

12 A business has not kept full accounting records.

Which of the following are used to calculate the profit for the year?

A bank reconciliation statements

B control accounts

C statement of affairs

D suspense account

[1]

13 Which is shown in a statement of affairs?

A gross profit

B overhead expenses

C owner's capital

D sales and purchases

[1]

14 A trader does not keep proper accounting records. Her capital at the end of the financial year is higher than at the start. She has not introduced any further capital during the year.

What does this show?

A A net loss has been made during the year.

B Annual drawings are greater than the net profit.

C Assets less liabilities have reduced during the year.

D Net profit is greater than annual drawings.

[1]