

NAME \_\_\_\_\_ INDEX NUMBER \_\_\_\_\_

SCHOOL \_\_\_\_\_ DATE \_\_\_\_\_

## BUSINESS TRANSACTIONS

1. 2002 P1

State the term that best fit each of the following description

- i. Money brought into the business by owner .....
- ii. Goods bought for resale. ....
- iii. Money borrowed by the owner of business. ....

(4 marks)

2. 2003 P1

For each of the following transactions, indicate with a tick in the spaces provided whether the following business transaction will increase, decrease or have no effect on the balance sheet total.

Transaction	Effects on the balance Sheet		
	Increase	Decrease	No effect
a) investing more cash in the business			
b) paying creditors in cash			
c) Buying a piece of furniture in cash			

3. 2004 P1

In the spaces provided, indicate with a (x) whether each of the following transactions will increase, decrease or have no effect in the balance sheet.

(4 marks)

Transaction	Increase	Decrease	No effect
a. buying stock in cash			
b. Depositing extra cash into Business account			
c. Drawing cash for personal use			
d. Buying stock on credit			

4. 2006 Q16 P1

State the effect of each of the following transactions on the balance sheet by writing increase, or decrease or no effect in each case.

	<b>Transaction</b>	<b>Effect</b>
a)	Bought machinery on credit	_____
b)	Withdrew cash from the business for person use	_____
c)	Purchased stock in cash	_____
d)	Paid outstanding loan by cheque.	_____

**5. 2008 Q18 P1**

The following information relates to Ole Traders as at 30<sup>th</sup> June 2007:

	Shs.
Machinery	200,000
Furniture	100,000
Premises	400,000
Debtors	160,000
Cash in Hand	10,000
Bank overdraft	100,000
Creditors	40,000

Calculate capital for Ole Traders as at 30 June 2007. (4 marks)

**6. 2010 Q13 P1**

Outline the difference between cash and credit transactions. (2 marks)

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