

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

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

## FINANCIAL STATEMENTS

1. 1995 P1

(a) The following is an extract of balances from the books of Otwa traders as at 31<sup>st</sup> October 1994

Accrued rent	4,000
Cash in hand	7,500
Trade creditors	3,000
Stock	4,000
Bank overdraft	6,000
Prepaid insurance	1,400
Trade debtors	2,600

Prepare a statement showing working capital

(5 marks)

b) The capital account of Nyota traders showed a balance of Kshs 50,000 as at 1<sup>st</sup> July 1994. For the year 30<sup>th</sup> June 1995, the following information was available.

- i) Proprietor brought in a personal car worth 80,000 for the business use
- ii) Net profit amounted Kshs 64, 000. The proprietor withdrew 32,000 from the business for personal use. Prepare the capital account at 30<sup>th</sup> June 1995

2. **1996 P1**

The following account balances were extracted from the books of Sawato traders on 30<sup>th</sup> September 1995.

Purchases	190,550
Opening stock	35,500
Closing stock	25,000
Sales	256,050
Sales return	4,800

Calculate

- i) Cost of goods sold (5 marks)
- ii) Percentage of gross profit and net profit

3. **1996 P1**

The following balances sheet relates to Jambo Traders  
Jambo traders balance sheet as at 30<sup>th</sup> June 1995

LIABILITIES		ASSETS	
Capital	127,000	Machines	90,000
Bank		Stock	20,000
Overdrafts	12,000	Debtors	32,000
Creditors	25,000	Cash in hand	22,000
	164,000		164,000

Calculate Jambo Traders current ratio (5 marks)

4. **1997 P1**

During the month of July 1995 Kungu made sales worth Kshs.60, 000. His margin on sales was 20%, calculate;

a) The cost of goods sold

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b) The gross profit

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5. **1997 P1**

For each of the following transactions indicate with a tick the effect on capital. (4 marks)

Transaction	Increase	Decrease	No Effects
(i) Withdrew cash for personal use			
(ii) Used personal savings to buy stock			
(iii) Paid a creditor by cheque			
(iv) Bought office furniture in cash			

6. **1997 P2**

The following Trial balance was prepared from the books of Paka Traders as at 31<sup>st</sup>

December 1995.

Trial balance December 31 <sup>st</sup> 1995		
	Dr.	Cr.
	Kshs	Kshs
Sales		900,000
Purchases	600,000	
Returns inwards	80,000	
Returns outwards		20,000
Carriage in		40,000
Carriage out	3,000	
Stock (Jan)	100,000	
Rent	60,000	
Creditors	170,000	
Debtors	120,000	
Interest expenses	18,000	
General expenses	7,000	
Capital	<u>178,000</u>	
	1,268,000	
Creditors		240,000
	<u>6 226 000</u>	<u>6 226 000</u>

Additional information

Stock as at 31<sup>st</sup> December was 100,000

- i. Prepare Trading, profit and Loss account for the period ended 31 December 1999

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- ii. Calculate return on capital, current ratio and debtor's ratio (10 marks)

7. **1998 P1**

The following information was extracted from the books of Kwaso traders on 31<sup>st</sup> August 1997.

Gross profit	130,800
Carriage of sales	4,700
Commission received	8,000
General expenses	18,200
Insurance	4,000

Prepare a profit and loss A/C

(5 marks)

8. **1998 P1**

The balance sheet of Moba Enterprises for the year ended 30<sup>th</sup> June 1996 is given

below. Moba enterprises sheet as at 30<sup>th</sup> June 1996.

	Sh	sh	sh
Capital	1,200,000		
Net profit	<u>240,000</u>		1,440,000
Fixed Assets		1,400,000	
		74,000	
Current Assets			
Creditors			34000
		<u>1,474,000</u>	<u>1,474,000</u>

(5 marks)

Calculate the return on

a) Capital invested

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**9. 1999 P1**

The following account balances were extracted from the books of Kiboko enterprises on 30<sup>th</sup> June 1997.

Opening stock	65,000
Sales	280,000
Purchases	190,000
Purchases returns	10,000
Sales returns	4,200

Closing stock was Kshs. 70,000 as at 30<sup>th</sup> June 1997. Prepare the trading a/c for period ended 30<sup>th</sup> June 1997.

(4 marks)

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**10. 1999 P1**

The following information was extracted from the books of Peshau Traders as at April 1998

Cost of goods sold            65,000  
 General expenses            280,000  
 Capital for the period was 20% 10,000  
 Calculate rate of net profit to capital

(5 marks)

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**11. 2000 P1**

The following information relates to Mali traders for the year ended 31<sup>st</sup> Dec 1998.

Capital 1.1.1998                    250,000  
 Additional investment            68,000  
 Drawing                                92,000  
 Profit                                    180,000

Calculate the capital of Mali traders as at 31<sup>st</sup> Dec 1998

(4 marks)

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**12. 2000 P1**

The following information was obtained from the books of Kina Traders on 30<sup>th</sup> June 1998

Opening stock                    8,000  
 Purchases bank                53,000  
 Sales                                62,900  
 Return outwards                2,700  
 Closing stock                    12,700

Prepare Kina Traders balance a/c for the year ended 30<sup>th</sup> June 1998

(5 marks)

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**13. 2000 P1**

The following balances were obtained from the books of Rah traders

Opening stock	50,000
Sales	360,000
Gross profit	25% of sales

Calculate

- a) Cost of goods
- b) Rate of stock turnover (5 marks)

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**14. 2001 P1**

Cumvi Traders had a capital of sh 180,000 as at 31.12.1998

Additional information

- a) during the year the owner converted her private car worth 90,000 for business use
- b) Goods worth sh. 50,000 were taken from the business for her own use
- c) Net profit for the year was sh 140,000

Calculate capital as at 31 Dec. 1999 (3 marks)

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**15. 2000 P1**

The following balances were obtained from the books of Rah Traders

	Shs.
Opening stock	50, 000
Sales	360,000
Gross profit	25% of sales
Closing stock	70,000

Calculate

- a) Cost of goods sold
- b) Rate of stock turnover (5 marks)

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**16. 2002 P1**

The following figures obtained from the records of Buka Enterprises for the year ended 30<sup>th</sup> June 2000



Sales	500,000
Cost of goods sold	280,000

Calculate the gross margin (4 marks)

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**17. 2002 P1**

The following balances were extracted from the books of Vuno Traders for the year ended 31<sup>st</sup> March 2001

Gross profit	186,200
Carriage outwards	13,500
Rent received	34,300
Office expenses	19,600
Salaries	57,000

Prepare a profit and loss for the year ended 31<sup>st</sup> March 2001 (5 marks)

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**18. 2003 P1**

The following information was extracted from the books of Mutua for the period ended 30<sup>th</sup> June 2001.

Opening stock	2,000
Purchases	8,500
Closing stock.	2,500
Sales	10,000

Required:

- a) The trading Account for the period ended 30<sup>th</sup> June 2001
- b) Calculation of the mark up (5 marks)

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**19. 2003 P1**

Below is a balance sheet of Lela Traders as at 31<sup>st</sup> Dec 2001

Lela traders.





Opening stock (1.5.02)                      80,000  
 Gross profit is calculated at 25%

- i) Prepare a trading account for the period ended 30 April 2003
- ii) Calculate the rate of stock turn over

(10 marks)

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**22. 2005 P2**

The following information refers to tea traders for the year ended 31/12/04

Sales	800,000
Expenses	10,000
Commission received	15,000
Purchases	700,000
Opening stock	250,000
Margin	20%

Prepare trading, profit & loss a/c for the year ended 31/12/04

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**23. 2005 P1**

The following balances were extracted from books of Motop Traders for the year ended 31/12/2004

Rent	48,000
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Lighting	7,200
Water	9,220
Salaries	75,000
Commission received	8,500
Discount allowed	4,600
Discount received	8,500
Gross profit	320,000
General Expenses	98,000
Stock	5,250
Motor Vehicle	2,300,000
Furniture & equipment	650,000
Debtors	270,000
Creditors	396,400
Bank	200,000
Cash	50,000
Capital	3,000,000

Prepare:

Profit and loss a/c for the year ended 31/12/2004

Balance sheet as at 31/12/2003

(4 ½ marks)

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24. 2006 Q18 P1

The following balances were extracted from the books of Chombo Wholesalers for the year ended 31 Dec 2005.

Shs.

Sales	500,000
Purchases	320,000
Opening stock(1.1.2005)	80,000
Closing 31.12.2005	40,000
Debtors	140,000
Creditors	90,000

Calculate

- a) margin
- b) Current ratio
- c) Rate of stock turnover (4 marks)

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25. 2006 Q2b P2

(b) The following trial balance was extracted from the books of Fula Traders on 31<sup>st</sup> December 2005.

Fula Traders		
Trial Balance as at 31.12. 2005		
	Dr. Sh.	Cr. Sh.
Sales		600,000
General Expenses	60,000	
Rent expense	10,000	
Commission Received		20,000
Motor Vehicle	600,000	
Furniture	240,000	
Cash	50,000	
Creditors		180,000
Debtors	120,000	
Purchases	400,000	
Sales Returns	20,000	
Capital		700,000
	1, 500,000	1,500,000

Additional information

- Stock on 31 December 2005 was valued at sh. 60,000
- Depreciation to be provided for as follows:  
Motor Vehicle 20% p.a on Cost







Carriage on sales	12,000
Purchases	370,000
Sales	442,500
Closing stock	40,000
Other expenses 10% on Gross profit.	

Prepare Trading profit and Loss Account for the year ended 31 December, 2006. (5 marks)

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**28. 2008 Q9 P1**

The following balances were extracted from the books of Solai Traders as at 31<sup>st</sup> May 2006

	Sh
Current Assets	220 000
Capital	425 000
Net profit	85 000
Creditors	98 200
Accrued expenses	11 800

Determine:

- a) Working capital
- b) Return on capital

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**29. 2008 Q10 P1**

On 31 December 2005, Kiwa had accrued expenses of Sh. 24 000. On 31<sup>st</sup> December 2006, the accrued expenses were Sh 30 000. In 2006 expenses paid for amounted to Sh 85 000. Determine the expenses for the year 2006.

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**30. 2009 Q16 P1**

The bookkeeper of Tande Traders extracted the following information from the accounting records.

	1,1.2007	31.12.2007
	Sh	Sh
Suppliers	465,000	640,000
Discount received		12,000
Purchases returns		25,000

During the year ended 31.12.2007, suppliers were paid Sh 1,500,000 while cash purchases amounted to Sh 800,000

Determine the purchases for the year (5 marks)

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**31. 2009 Q22 P1**

The following information relates to Maji Mazuri Traders as at 31.2-2008

Fixed assets	400,000
Stock	120,000
Current liabilities	60,000
Net profit for the current year	100,000

Calculate:

- (i) Rate of return on capital employed;  
(ii) Current ratio (4 marks)

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32. 2009 Q5b P2

(b) Malamu Traders had the following balance as at 31<sup>st</sup> December 2008

	Sh
Building	540,000
Bank loan	472,500
Debtors	116,900
Creditors	227,000
Furniture	408,170
Gross profit	520,600
Motor vehicle	900,000
Discount allowed	142,000
Lighting	25,200
Interest on loan	1,200
Closing stock	72,500
Rent received	120,000
Repair on buildings	60,000
Repair on furniture	72,030
Repair on motor vehicles	300,000
General expense	102,100
Capital	1,400,000

Prepare:

- (a) Profit and loss account for the year ended 31<sup>st</sup> December 2008  
(b) Balance sheet as at 31 December 2008



	1 <sup>st</sup> January 2007 Sh		31 <sup>st</sup> December 2007 Sh
Stock	75,000		136,400
Prepaid Salaries			
Creditors	142,500		158,400
Debtors	120,000		385,000
Furniture & Equipment	820,000		754,400
18% loan From bank	200,000		

Cash summary of the year was as follows

Cash Summary			
	Sh		Sh
Balance b/d	460,800	Payment to creditors	660,500
Bad debts	16,000	Loan (31/12/2007)	50,000
Receipts from debtors	750,000	Salaries	48,000
		Purchases	135,400
		Interest on loan	30,000
		Balance c/d	<u>302,900</u>
	<u>1,226,800</u>		<u>1,226,800</u>

Additional information:

- (i) Interest charged on debtors overdue accounts amounted to sh 2,000
- (ii) Bad debts written off amounted to sh 4,200

Prepare trading, profit and loss account for the year ended 31<sup>st</sup> December 2007

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with the relevant type of capital.

(3 marks)

Statement

Type of capital

(i) Resources invested into the business by the owner.

(ii) Excess of current assets over current liabilities.

(iii) Amount invested into the business by outsiders.

35. 2012 Q6 P2

The following information was extracted from the books of Marigi Traders on 30<sup>th</sup> June 2009.

Item	Shs.
Purchases	720,000
Opening stock	165,000
Closing stock	?
Sales	980,600
margin	20%

Prepare the trading account of Marigi Traders for the year ended 30<sup>th</sup> June 2009. (5 marks)

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