

NAME _____ INDEX NUMBER _____

SCHOOL _____ DATE _____

NETWORTH OF A BUSINESS

1. **1996 P1**

The following account balances were extracted from the books of Kitu traders on 30th November 1995

Machinery	250,000
Debtor	62,000
Creditors	46,000
Stock	12,680
Cash in hand	1,500
Cash at bank	15,000

Determine the capital as at 30th November 1995

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2. **1997 P1**

The following balances were extracted from the books of Waso traders on 30th October 1995.

Cash	20,520
Bank	160,230
Premises	800,000
Debtors	40,000
Creditors	62,000
2 year loan	40,000
Stock	2,500

Prepare a balance sheet

(5 marks)

3. 1998 P1

The following table contains information relating to a business A, Band C. Determine the figures represented by W, X and Y.

Business	Assets	Capital	Liabilities
A	620,000	W	230,000
B	X	400,000	120,000
C	800,000	500,000	Y

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4. 1998 P1

In the spaces provided, indicate with a (+) or (-) the effects of each one of the following transactions on the assets, Liabilities or capital

(4 marks)

Transaction	Assets	Liabilities	Capital
a. Bought furniture on credit			
b. Paid creditors by cash			
c. withdrew cash for personal use			
d. Converted a personal car for business use			

5. 1999 P1

The following relate to business A, B and C. For each of the business determine the missing figures: M, N, and P

Business	Assets	Capital	Liabilities
A	30,000	m	12,000
B	n	16,000	13,000
C	60,000	48,000	p

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6. **2000 P1**

State four uses of balance sheet for business organizations.

(4 marks)

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7. **2000 P1**

For each of the following types of accounts, state in the spaces provided whether you debit or credit increase or decrease the account. (3 marks)

Type of account	To increase	To decrease
a. Asset account		
b. Liability account		
c. Capital		

8. **2002 P1**

The following transactions relates to Tajira Traders for the month of January 2001

- Jan 1 started business with Kshs. 20,000 in cash
- Deposited 15,000 from cash till into a business Bank account
- Bought goods on credit from Wema traders for 6,000
- Bought furniture by cheque sh 3,000

Prepare a balance sheet as at 31st January 2001

9. 2003 P1

In the table below, determine the missing fig. X, Y and Z for each of business Q, R and S.

Business	Assets	Capital	Liabilities
Q	250,000	X	120,000
R	Y	1,500,000	Z
S	600,000	100,000	400,000

(3 marks)

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9. 2004 P1

The following information relates to business A, B, C and D.

Business	Assets	Liabilities	Capital
A	500,000	x	300,000
B	Y	800,000	1,200,000
C	300,000	120,000	z
D	700,000	t	500,000

Determine figure represented by X, Y, Z and T.

(4 marks)

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11. 2004 P2

The following balances were extracted from the Tango traders as at 31st December 2004

Motor vehicle	80,000
Plant and machinery	70,000
Loan from Bank	60,000
Stock	25,000
Debtors	30,000
Creditors	15,000
Bank	20,000

Prepare a balance sheet for Tango Traders as at 1st December 2004.

(5 marks)

12. 2008 Q20 P1

State two characteristics of each of the following balance sheet elements:

- a) Assets
- b) Liabilities

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13. 2009 Q5 P1

The following balances were extracted from the books of Saku Traders on 31 March 2008

Fixed assets	300,000
Current assets	123,700
Creditors	84,500
5 year loan	125,000

Determine the net worth of the business as at 31st March 2008 (4 marks)

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