

**Suva Sangam College**

**Year 11**

**Accounting**

**Worksheet 9**

1. Bad debts Recovered can be classified as

- A. an asset                      B. a revenue                      C. an expense                      D. liability

2. Purchasing of goods either for cash or credit will affect

- A. Sales              B. Cash              C. Debtor              D. Purchases

3. Kia's General Store operates a grocery business. Given below is the financial position of her business as at 1st March, 2021.

Debtors \$13 650; Inventory \$24 000; Fixed Assets \$50 000; Bank Overdraft \$16 200; Creditors \$10 250; Capital?

The following transactions took place during the month of March, 2021.

March 3 Sold goods to Aiyaan for \$650 (cost price \$590).

March 7 Bought goods from ST Wholesalers \$600.

March 9 Kia took goods valued at \$300

March 11 Sold goods for cash \$2000 (cost price \$ 1500)

March 15 Bought a motor vehicle from Muanikau Ltd for \$35 000 and made a down payment of \$15 000.

March 19 Returned faulty goods to ST Wholesalers \$300.

March 25 Sold a delivery van on credit for \$14 000.

March 29 Kia took cash for her own use \$900.

**Required**

1. Calculate the **opening capital** for Kias General Stores and show the effects of the above transactions on the accounting equation given below.                      (1 mark)

**Note:** The business uses the perpetual inventory method                      (8 marks)

<b>Date</b>	<b>Stock</b>	<b>Accounts Receivable</b>	<b>Fixed Assets</b>	<b>=</b>	<b>Bank Overdraft</b>	<b>Accounts Payable</b>	<b>Capital</b>
March 1	24 000	13 650	50 000	=	16200	10250	???