



WORKSHEET: 27

School: Ba Sangam College

Year: 1101

Name: _____

Subject : Accounting

Strand	3 Financial Accounting And The Accounting Process
Sub Strand	3.1 Business Ownership and Sole Proprietor Formation
Content Learning Outcome	AC11.3.1.1 Explore the different forms of business ownership

Activity Questions

Part A **Accounting Entities** **(5 marks)**

(a) State **one** advantage of a Co-operative. **(1 mark)**

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(b) List **two** types of business entities which have unlimited liability. **(2 marks)**

(c) Explain the difference between a Private and a Public company. **(2 marks)**

Part B **Accounting Equation** **(7 marks)**

Kaipa's General Store operates a grocery business on Faleawe. Given below is the financial position of her business as at 1st March, 2017.

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, 2017.

- March 3 Sold goods to Aiyaan for \$650 (cost price \$590).
- March 7 Bought goods from ST Wholesalers \$600.
- 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 Kaipa took cash for her own use \$900.

Required

Calculate the **opening capital** for Kaipa's General Stores and show the effects of the above transactions on the accounting equation.

Note: The business uses the perpetual inventory method.

March 2017	Debtors +	Inventory +	Fixed Asset +	=	Bank Overdraft +	Creditors +	Capital
1	\$13,650	\$24,000	\$50,000	=	\$16,200	\$10,250	
3				=			
7				=			
15				=			
19				=			
25				=			
29				=			

THE END