

- 1 Shakir started trading in the year ended 31 August 2023 but did not keep proper books of account. His assets and liabilities at 1 September 2023 are as follows.

| | |
|-----------------|-------|
| | \$ |
| Motor vehicle | 9 500 |
| Inventory | 1 240 |
| Cash at bank | 1 682 |
| Trade payables: | |
| Latif | 200 |
| Harrison | 237 |

REQUIRED

- (a) (i) Prepare the journal for Shakir's opening entries at 1 September 2023. A narrative is **not** required.

Shakir Journal

| Date | Details | Debit \$ | Credit \$ |
|-------|---------|-------------|--------------|
| | | | |
| | | | |
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| | | | |
| | | | |

[3]

- (ii) State **two** advantages of maintaining double entry records.

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- 2
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[2]

| Question | Answer | Marks | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------|---|---------------|---------------|-------------|--------------|--|---------------|---------------|-------|--|---|--|-----------|-------|--|-------|--|------|-------|--|---|--|-------|--|-----|---|--|----------|--|-----|-------|--|---------|--|---------------|-----|--|--|---------------|---------------|--|---|
| 1(a)(i) | <div>Shakir Journal</div> <table><tr><th>Date</th><th>Details</th><th>Debit \$</th><th>Credit \$</th><th></th></tr><tr><td>2023 1 Sep</td><td>Motor vehicle</td><td>9 500</td><td></td><td>}</td></tr><tr><td></td><td>Inventory</td><td>1 240</td><td></td><td>} (1)</td></tr><tr><td></td><td>Bank</td><td>1 682</td><td></td><td>}</td></tr><tr><td></td><td>Latif</td><td></td><td>200</td><td>}</td></tr><tr><td></td><td>Harrison</td><td></td><td>237</td><td>} (1)</td></tr><tr><td></td><td>Capital</td><td></td><td><u>11 985</u></td><td>(1)</td></tr><tr><td></td><td></td><td><u>12 422</u></td><td><u>12 422</u></td><td></td></tr></table> | Date | Details | Debit \$ | Credit \$ | | 2023 1 Sep | Motor vehicle | 9 500 | | } | | Inventory | 1 240 | | } (1) | | Bank | 1 682 | | } | | Latif | | 200 | } | | Harrison | | 237 | } (1) | | Capital | | <u>11 985</u> | (1) | | | <u>12 422</u> | <u>12 422</u> | | 3 |
| Date | Details | Debit \$ | Credit \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2023 1 Sep | Motor vehicle | 9 500 | | } | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Inventory | 1 240 | | } (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Bank | 1 682 | | } | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Latif | | 200 | } | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Harrison | | 237 | } (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Capital | | <u>11 985</u> | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <u>12 422</u> | <u>12 422</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1(a)(ii) | <p>Full details are available about the assets, liabilities, revenues and expenses of the business (1)</p> <p>The preparation of financial statements is relatively straightforward (1)</p> <p>The calculation of the profit or loss for the year is likely to be reliable and accurate (1)</p> <p>More informed decision-making is possible (1)</p> <p>A greater degree of control over business activities can be exercised (1)</p> <p>The possibility of fraud is reduced (1)</p> <p>Comparisons with the results of previous years and with other businesses are possible (1)</p> <p>Detailed records are available for reference purposes (1)</p> <p>Information required by a bank or other lender is readily available (1)</p> <p>Max (2)</p> | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |