



# Chapter # 1

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## *Accounting for Incomplete Records (Single Entry)*

**Principles of Accounting – XII**

# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

### WHAT THE EXAMINER USUALLY ASK?

- Computation of capital at start.
- Computation of capital at end.
- Computation of missing figures.
- Financial Statements:
  - Statement of profit or loss.
  - Statement of affairs.
- Multiple Choice Questions (MCQs).

## Chapter # 1

# ACCOUNTING FOR INCOMPLETE RECORDS (SINGLE ENTRY)

### SINGLE ENTRY

Single entry system is an incomplete form of recording financial transactions. It is the system, which does not record two aspects or accounts of all the financial transactions. It is the system, which has no fixed set of rules to record the financial transactions of the business. Single entry system records only one aspect of transaction. Thus, single entry system is not a proper system of recording financial transactions, which fails to present complete information required by the management. Single entry system mainly maintains cash book and personal accounts of debtors and creditors. Single entry system ignores nominal account and real account except cash account. Hence, it is incomplete form of double entry system, which fails to disclose true profit or loss and financial position of a business organization.

### WHO KEEPS SINGLE ENTRY SYSTEM?

Small businesses, such as shopkeepers, market stall holders, hairdressers, landscape gardeners, do not always have the knowledge, expertise and time to keep a complete set of accounting records. However, these businesses will need to have financial statements prepared annually (for tax purposes if nothing else).

### REASONS FOR INCOMPLETE RECORDS

Incomplete records may be due to partial recording of transactions as is the case with small shopkeepers such as grocers and vendors. In case of large sized organizations, the accounting records may be rendered to the state of incompleteness due to natural calamity, theft or fire. Thus, partial recording of business transactions may takes place due to:

- Lack of knowledge about double entry system.
- Deliberate omission to maintain records to take advantage of taxation.
- Unable to maintain his/her business transactions because of the time, effort & cost involved.
- Loss of records due to fire, theft or natural calamity.

### FEATURES OF SINGLE ENTRY

The following are the main features of single entry system:

<i>No Fixed Rules:</i>	Single entry system is not guided by fixed set of accounting rules for determining the amount of profit & preparing the financial statements.
<i>Incomplete System:</i>	Single entry system is an incomplete system of accounting, which does not record all the aspects of financial transactions of the business.
<i>Cash Book:</i>	Single entry system maintains cash book for recording cash receipts & payments of the business organization during a given period of time.
<i>Personal Account:</i>	Single entry system maintains personal accounts of all the debtors and creditors for determining the amount of credit sales and credit purchases during a given period of time.
<i>Variations in Application:</i>	Single entry system has no fixed set of principles for recording financial transactions and preparing different financial statements. Hence, it has variations in its application from one business to another.

# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

### TYPES OF SINGLE ENTRY

*Pure Single Entry:* Under this type of single entry, the dual aspect of each transaction is ignored. Only personal accounts of debtors and creditors are kept but no record is kept for real or nominal account.

*Simple Single Entry:* Under this system, (i) personal account and (ii) cash book are kept.

*Quasi Single Entry:* Under this system, (i) personal account, (ii) cash book and (iii) some other subsidiary books are kept.

### ADVANTAGES OF SINGLE ENTRY

- It is easy and simple method of recording business transactions.
- Less expensive as qualified staff is not required.
- Suitable for small businesses where cash transactions occur and very few assets and liabilities exists.
- Flexible method as there are no set procedures and principles followed.

### DISADVANTAGES OF SINGLE ENTRY

- No double entry, thus Trial Balance cannot be prepared to check the arithmetical accuracy of books of accounts.
- Information related to assets and liabilities cannot be reliable because respective accounts have not been maintained.
- True Profit and Loss cannot be ascertained.
- Comparison of accounting performance with previous year or other firms not possible as any standard principle or procedure is not followed.

### DIFFERENCE BETWEEN STATEMENT OF AFFAIRS AND BALANCE SHEET

The major difference between statement of affairs and balance sheet is that the statement of affairs is prepared under Single Entry System while balance sheet is prepared under Double Entry System. It means that statement of affairs consist of incomplete data so the degree of accuracy can be down. But balance sheet is prepared from the books of accounts so the degree of accuracy can be high.

### DIFFERENCE BETWEEN DOUBLE ENTRY SYSTEM AND SINGLE ENTRY SYSTEM

<i>Double Entry System</i>	<i>Single Entry System</i>
<ul style="list-style-type: none"><li>• Under this system, both aspect of each transaction are recorded.</li></ul>	<ul style="list-style-type: none"><li>• Under this system, both aspect of each transaction are not recorded.</li></ul>
<ul style="list-style-type: none"><li>• In this system, personal, real and nominal accounts are kept fully.</li></ul>	<ul style="list-style-type: none"><li>• In this system, only personal accounts are kept and real and nominal accounts are ignored.</li></ul>
<ul style="list-style-type: none"><li>• In this system, cash book, general ledger, debtors' ledger and creditor's ledger are maintained.</li></ul>	<ul style="list-style-type: none"><li>• In this system, only debtor's ledger and creditor's ledger are kept. Cash book is also kept but personal transaction gets mixed up business transactions.</li></ul>
<ul style="list-style-type: none"><li>• Under this system, arithmetical accuracy can be checked by preparing trial balance at any moment of time.</li></ul>	<ul style="list-style-type: none"><li>• Under this system, the arithmetical accuracy cannot be checked.</li></ul>

# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

### COMPUTATION OF CAPITAL AT START AND CAPITAL AT END

	<i>Starting Period</i>	<i>Ending Period</i>
Total assets	XXX	XXX
Less: Total liabilities	(XXX)	(XXX)
<b>Capital balances</b>	<b>XXX</b>	<b>XXX</b>

### STATEMENT OF PROFIT OR LOSS

*Name of Business*  
*Statement of Profit or Loss*  
*For the Period Ended \_\_\_\_\_*

Capital at end	XXX
Add: Drawings for the period	XXX
	XXX
Less: Capital at start	(XXX)
	XXX
Less: Additional investment during the period	(XXX)
Unadjusted profit/loss	XXX
Less: Operating expenses	(XXX)
Profit/loss from operation	XXX
Add: Other income	XXX
<b>Net profit/ loss</b>	<b>XXX</b>

### STATEMENT OF AFFAIRS

*Name of Business*  
*Statement of Affairs*  
*As on \_\_\_\_\_*

<b>ASSETS</b>		<b>EQUITIES</b>	
<u>Current Assets:</u>		<u>Liabilities:</u>	
Cash	XXX	<u>Current Liabilities:</u>	
Accounts receivable	XXX	Accounts payable	XXX
Less: All. for bad debts	(XXX)	Notes payable	XXX
Merchandise inventory	XXX	Accrued expenses	XXX
Prepaid expenses	XXX	Unearned income	XXX
Office supplies	XXX	Total current liabilities	XXX
Accrued income	XXX		
Total current assets	XXX	<u>Long Term Liabilities</u>	
<u>Fixed Assets:</u>		Mortgage payable	XXX
Equipment	XXX	Other long term liabilities	XXX
Less: All. for dep.	(XXX)	Total long term liabilities	XXX
Total fixed assets	XXX	Total liabilities	XXX
		<u>Owner's Equity:</u>	
		Capital	XXX
		Add: Net profit	XXX
			XXX
		Less: Drawings	(XXX)
		Total owner's equity	XXX
<b>Total assets</b>	<b>XXX</b>	<b>Total equities</b>	<b>XXX</b>



# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

### ILLUSTRATION # 1: (Financial Statements with Capital Balances)

1989 Regular & Private – BIEK

Balances of the assets and equities of the business of Mr. Masroor on Jan. 1, 1988 and Dec. 31, 1988 were as follows:

	<i>January 1<sup>st</sup> 1988</i>	<i>December 31<sup>st</sup> 1988</i>
Cash in hand	Rs.1,000	Rs.5,000
Cash at bank	Rs.4,000	Rs.12,000
Prepaid insurance	---	Rs.5,000
Furniture	Rs.10,000	Rs.15,000
Accounts payable	Rs.5,000	Rs.7,000
Capital 1.1.1988	Rs.10,000	---
Capital (unadjusted) 31.12.1988	---	Rs.30,000

Additional Information of Dec. 31, 1988:

- (1) During the year Masroor had withdrawn Rs.72,000 cash for his private use and had made an additional investment of Rs.50,000.
- (2) The Bank Statement showed a debit of Rs.260 for Zakat deduction and credit of Rs.840 for profit.
- (3) Insurance of Rs.2,000 had expired.
- (4) Depreciation of furniture is to be charged at Rs.3,000.

After incorporating the additional information prepare.

#### REQUIRED

- (a) Statement of profit and loss for the year ended on Dec. 31, 1988.
- (b) Statement of Affairs (Balance Sheet) as of Dec. 31, 1988.

### SOLUTION # 2:

*MR. MANSOOR*  
*STATEMENT OF PROFIT AND LOSS*  
*FOR THE PERIOD ENDED 31 DECEMBER 1988*

Capital at end		30,000
Add: Drawings		72,000
		<hr/> 102,000
Less: Capital at start		(10,000)
Less: Additional investment		(50,000)
		<hr/> 42,000
Unadjusted profit		
<u>Less: Operating Expenses:</u>		
Zakat deduction	260	
Insurance expense	2,000	
Depreciation expense	3,000	
	<hr/>	
Total operating expenses		(5,260)
		<hr/> 36,740
<u>Add: Other Income:</u>		
Profit by bank		840
<b>Adjusted net profit</b>		<hr/> <b>37,580</b>

# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

### MR. MANSOOR STATEMENT OF AFFAIRS AS ON 31 DECEMBER 1988

ASSETS	EQUITIES
<u>Current Assets:</u>	<u>Liabilities:</u>
Cash in hand 5,000	Accounts payable 7,000
Cash at bank 12,580	
Prepaid insurance 3,000	<u>Owner's Equity:</u>
Total current assets 20,580	Capital 10,000
	Add: Net profit 37,580
<u>Fixed Assets:</u>	Add: Additional invest. 50,000
Furniture 15,000	97,580
Less: All for Depreciation (3,000)	Less: Drawings (72,000)
Total fixed assets 12,000	Total owner's equity 25,580
<b>Total assets 32,580</b>	<b>Total equities 32,580</b>

#### Additional Working:

### MR. MANSOOR ADJUSTING ENTRIES FOR THE PERIOD ENDED 31 DECEMBER 1988

Date	Particulars	P/R	Debit	Credit
1	Zakat deduction		260	
	Bank		580	
	Profit			840
	(To adjust the zakat and profit by bank)			
2	Insurance expense		2,000	
	Prepaid insurance			2,000
	(To adjust the prepaid insurance)			
3	Depreciation expense		3,000	
	Allowance for depreciation			3,000
	(To adjust the depreciation expense)			

### COMPUTATION OF OPENING CASH BALANCE

Ending balance of cash	XXX
Add: Total cash payments during the period	XXX
	XXX
Less: Total cash receipts during the period	(XXX)
<b>Opening balance of cash</b>	<b>XXX</b>

### COMPUTATION OF ENDING CASH BALANCE

Opening balance of cash	XXX
Add: Total cash receipts during the period	XXX
	XXX
Less: Total cash payments during the period	(XXX)
<b>Ending balance of cash</b>	<b>XXX</b>

# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

### ILLUSTRATION # 2: (Financial Statements with Cash Book Information)

1986 Regular & Private – BIEK

Mr. Faiz started business on April 1, 1985 under the name and Style of Faiz Factors. The business has maintained only a cash book. The following is the summary of Cash receipts and payments for the year ended on Dec. 31, 1985.

<i>Receipts</i>		<i>Payments</i>	
Faiz Capital	Rs.10,000	Furniture	Rs.17,000
Bank loan	Rs.5,000	Salaries expense	Rs.9,600
Commission income	Rs.75,000	Faiz Drawings	52,000
		Rent expense	Rs.6,000

#### Additional Information on Dec. 31, 1985:

- (1) Commission received but not earned Rs.2,000.
- (2) Allowance for Depreciation on furniture was estimated at Rs.3,000.
- (3) Salaries outstanding Rs.1,400.

#### REQUIRED

Prepare:

- (a) Statement of Profit or loss for the year ended on Dec. 31, 1985.
- (b) Statement of Affairs (Balance Sheet) as of Dec. 31, 1985.

#### SOLUTION # 2:

#### STYLE OF FAIZ FACTOR STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 DECEMBER 1985

Commission income (75,000 – 2,000)	73,000
<u>Less: Operating Expenses:</u>	
Salaries expense (9,600 + 1,400)	11,000
Rent expense	6,000
Depreciation expense	3,000
Total operating expenses	(20,000)
<b>Net profit</b>	<b><u>53,000</u></b>

#### Computation of Cash Balance:

Capital	10,000
Bank loan	5,000
Commission income	75,000
Total cash receipts	90,000
<u>Less: Total Cash Payments:</u>	
Furniture	17,000
Salaries expenses	9,600
Abid Drawings	52,000
Rent expense	6,000
Total cash payments	(84,600)
<b>Cash balance</b>	<b><u>5,400</u></b>



# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

### STYLE OF FAIZ FACTOR STATEMENT OF AFFAIRS AS ON 31 DECEMBER 1985

ASSETS		EQUITIES	
<u>Current Assets:</u>		<u>Liabilities:</u>	
Cash	5,400	Bank loan	5,000
Total current assets	5,400	Unearned commission	2,000
		Salaries payable	1,400
		Total liabilities	8,400
<u>Fixed Assets:</u>		<u>Owner's Equity:</u>	
Furniture	17,000	Capital	10,000
Less: All for depreciation	(3,000)	Add: Net profit	53,000
Total fixed assets	14,000		63,000
		Less: Drawings	(52,000)
		Total owner's equity	11,000
<b>Total assets</b>	<b>19,400</b>	<b>Total equities</b>	<b>19,400</b>

Additional Working:

### ABID STYLO ADJUSTING ENTRIES FOR THE PERIOD ENDED 31 DECEMBER 1999

Date	Particulars	P/R	Debit	Credit
1	Commission income Unearned commission (To adjust the unearned commission)		2,000	2,000
2	Depreciation expense Allowance for depreciation – Furniture (To adjust the depreciation expense)		3,000	3,000
3	Salaries expense Salaries payable (To adjust the unpaid salaries)		1,400	1,400

### COMPUTATION OF TOTAL SALES

Accounts receivable (ending)	XXX
Add: Cash collection from customers	XXX
	XXX
Less: Accounts receivable (beginning)	(XXX)
Net credit sales	XXX
Add: Sales return and allowances	XXX
	XXX
Add: Sales discount	XXX
Total credit sales	XXX
Add: Cash sales	XXX
<b>Total sales</b>	<b>XXX</b>

## Accounting for Incomplete Records (Single Entry)

### Chapter # 1

#### COMPUTATION OF TOTAL PURCHASES

Accounts payable (ending)	XXX
Add: Cash payments to the suppliers	XXX
	<hr/>
	XXX
Less: Accounts payable (beginning)	(XXX)
Net credit purchases	XXX
Add: Purchase return and allowances	XXX
	<hr/>
	XXX
Add: Purchase discount	XXX
Total credit purchases	XXX
Add: Cash purchases	XXX
<b>Total purchases</b>	<b>XXX</b>

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# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

### PRACTICE QUESTIONS

#### Question # 1:

**1993 Regular & Private - BIEK**

Mr. Farooqui maintains single entry records. The assets and liabilities of his business were as follows:-

	1-1-92	31-12-92
Cash	Rs.8,000	Rs.1,500
Accounts receivable	20,000	30,000
Furniture	---	25,000
Machinery	110,000	150,000
Accounts payable	30,000	40,000
Bank overdraft	---	15,000

Adjustment data on 31-12-92:

- (i) Mr. Farooqui made additional investment for Rs.5,000 during 1992.
- (ii) Estimated allowance for bad debts Rs.1,250.
- (iii) Depreciation on fixed assets estimated at 10% of the year-end balances.
- (iv) Accrued interest on bank overdraft Rs.300.

#### REQUIRED

- (a) Compute amount of capitals on 1-1-92 and 31-12-92.
- (b) Prepare Statement of Profit or Loss for the year ended December 31, 1992.
- (c) Prepare Statement of Affairs (Balance Sheet) as of December 31 1992 in classified account form.

#### Question # 2:

**1997 Regular & Private - BIEK**

Mr. Waqas maintains single entry records. The assets and liabilities of his business were as follows:-

	January 1, 1996	December 31, 1996
Cash	32,000	60,000
Accounts receivable	80,000	120,000
Merchandise inventory	10,000	30,000
Office equipment	---	100,000
Machinery	400,000	600,000
Accounts payable	62,000	130,000
Bank overdraft	50,000	80,000

Additional information on December 31, 1996:-

- (i) Additional investment made during the year Rs.60,000.
- (ii) Mr. Waqas withdrew cash for personal use Rs.40,000.
- (iii) Estimated allowance for bad debts Rs.8,000.
- (iv) Depreciation on fixed assets estimated @ 10% of year-end balance.
- (v) Mark-up (interest) accrued on bank overdraft Rs.2,000.

#### REQUIRED

- (a) Compute amounts of capitals on January 1, and December 31, 1996.
- (b) Prepare statement of profit and loss for the year ended December 31, 1996.
- (c) Prepare balance sheet as of December 31, 1996.

#### Question # 3:

**2002 Private - BIEK**

Mrs. Shireen keeps her books under single entry system. Her financial position was as under:

	Jan. 1, 2001	Dec. 31, 2001
Cash	Rs.500,000/-	Rs.700,000/-
Accounts receivable	Rs.200,000/-	Rs.300,000/-
Merchandise inventory	Rs.300,000/-	Rs.400,000/-
Furniture/Fixture	Rs.250,000/-	Rs.250,000/-
Accounts payable	Rs.250,000/-	Rs.100,000/-
Bank loan	---	Rs.50,000/-

# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

During the year, she withdrew cash Rs.100,000/- and merchandise Rs.50,000/- for her personal use and invested in the business an additional amount of Rs.250,000/- in cash.

The following were the year end adjustment on Dec. 31, 2001:

- (i) Accrued salary Rs.15,000/-.
- (ii) Accrued interest on bank loan Rs.6,000/-.
- (iii) Accrued income Rs.25,000/-.
- (iv) Depreciate non-current asset @ 4% p.a.
- (v) Provide allowance for uncollectible accounts @ 2 ½ % of A/Receivable.

### REQUIRED

- (i) Compute capital at start and at end by using balance sheet equation.
- (ii) Prepare Statement of Profit & Loss for the year ended Dec. 31, 2001.
- (iii) Prepare Statement of Affairs as on Dec. 31, 2001.

### Question # 4:

**2004 Regular & Private – BIEK**

Information given below has been extracted from the book of Ali who maintains his accounting records on single entry system.

	1.1.2003	31.12.2003
Cash	3,000	5,000
A/C. receivable	10,000	15,000
Merchandise inventory	20,000	50,000
Office equipment	15,000	15,000
Office furniture	20,000	20,000
A/C. payable	8,000	5,000

### Adjustment data on Dec. 31, 2003:

- (i) Additional investment Rs.10,000.
- (ii) Withdrawals Rs.500 p.m. for personal use.
- (iii) Estimated depreciation expense 10% on fixed assets.
- (iv) Rent Rs.2,000 p.m. outstanding since Nov. 2003.

### REQUIRED

- (i) Compute the amount of capital on Jan. 01 and Dec. 31, 2003.
- (ii) Prepare statement of profit or loss for the year ended Dec. 31, 2003.
- (iii) Prepare opening journal entry on Jan. 01, 2004 if the books were to be converted and maintained on double entry system with effect from that data.

### Question # 5:

**2012 Private – BIEK**

Mr. Akram maintains his books on single entry. The following information was available from his books:

	<u>March 1, 2011</u>	<u>December 31, 2011</u>
Cash in hand	?	Rs.37,500
Cash at bank	Rs.30,000	Rs.120,000
Accounts receivable	Rs.135,000	Rs.172,500
Merchandise inventory	Rs.150,000	Rs.245,000
Office equipments	Rs.300,000	Rs.300,000
Accounts payable	Rs.54,000	Rs.75,000
Bank loan	Rs.70,000	---
Mr. Akram's capital	Rs.500,000	?

### Additional Information at December 31, 2011:

- i) During the year Mr. Akram withdrew Rs.3,000 p.m for personal use and Rs.30,000 for business use.
- ii) Depreciation expense on office equipment was estimated at Rs.30,000.

### REQUIRED

- i) Compute cash on March 1, 2011 and capital of December 31, 2011.
- ii) Prepare statement of affairs as on December 31, 2011. (If net income is Rs.300,000).

## Accounting for Incomplete Records (Single Entry)

### Chapter # 1

#### Question # 6:

2012 Regular – BIEK

Mr. Ali maintains his records under single entry system. On February 2011, he started his business with cash Rs.500,000. His position on December 31, 2011 was as under:

Cash Rs.72,000; Bank Rs.50,000; Accounts receivable Rs.38,000; Furniture Rs.130,000; Merchandise inventory Rs.210,000; Bank loan Rs.100,000 (July 1, 2011).

#### Additional Information on December 31, 2011:

- i) Mr. Ali withdrew from bank Rs.10,000 for office use and Rs.8,000 per month for personal use.
- ii) Additional investment Rs.45,000 in business during the year.
- iii) Bank charged 14% interest per annum + KIBO rate 3% on loan. Interest paid on quarterly basis.

#### REQUIRED

Prepare profit or loss statement for the year ended December 31, 2011.

#### Question # 7:

2010 Regular & Private – BIEK

Following balances have been extracted from the books of Mr. Umer, who started his business on September 1, 2009 with the name of Umer Traders:

	Sep. 1, 2009	Dec. 31, 2009
Cash	120,000	250,000
Office supplies	15,000	20,000
Furniture	40,000	85,000
Prepaid rent		15,000
Accounts receivable		27,000
Accounts payable		25,000
Unearned commission		18,000

#### Additional Information on December 31, 2009:

- (1) Accrued salaries Rs.5,000.
- (2) Prepaid rent Rs.2,500.
- (3) Unearned commission Rs.3,000.
- (4) Mr. Umer withdrew cash of Rs.700 per month at the last date of each month for his personal use.

#### REQUIRED

Prepare Statement of Affairs as on December 31, 2009. (Adjusted profit of Umer Traders for the year ended December 31, 2009 was Rs.179,300).

#### Question # 8:

2013 Private – BIEK

Mr. Imran started his business on March 1, 2012 with a cash investment of Rs.50,000. He kept his records on single entry basis. On December 31, 2012, the following information was available:

Cash Rs.15,000; Accounts receivable Rs.30,000; Merchandise inventory Rs.25,000; Office equipments Rs.40,000; Accounts payable Rs.20,000.

#### Additional Information:

- i) Withdrew Rs.1,000 cash per month from the business for his personal use.
- ii) He made an additional investment of Rs.10,000 in his business.
- iii) Accrued salaries amounted to Rs.2,500.
- iv) Office equipments are to be depreciated @ 12% per annum.
- v) Prepaid rent is Rs.1,500.

#### REQUIRED

Prepare statement of profit or loss for the year ended December 31, 2012.

# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

### Question # 9:

**1990 Regular & Private – BIEK**

Mr. Zaheer maintains his books on Single Entry. The following information was available from his books.

	January 1	December 31
Cash in hand	300	1,250
Cash at bank	1,500	6,000
A/c Receivable	6,750	8,625
Merchandise inventory	7,500	12,250
Supplies	750	500
Accounts payable	4,875	4,125

During the year r. Zaheer withdrew Rs.2,400 for personal use and made additional investment of Rs.3,750, at year end, estimated bad debt expense was Rs.675, rent accrued was Rs.1,500 and insurance prepaid was Rs.225.

### REQUIRED

- Compute Mr. Zaheer's Capital as on January 1, 1989 and December 31, 1989 using gross or unadjusted figures.
- Prepare a Statement of Profit for the year ended December 31, 1989.
- Prepare a Statement of Affairs as of December 31, 1989.

### Question # 10:

**2006 Regular & Private – BIEK**

Mr. Alam maintains his accounting records on single entry basis. His financial position was as under:

	Jan. 1, 2005	Dec. 31, 2005
Cash	50,000	60,000
Accounts receivable	60,000	80,000
Merchandise inventory	25,000	22,000
Supplies	5,000	8,000
Furniture	100,000	150,000
Accounts payable	15,000	10,000

### Additional Information on December 31, 2005

- Mr. Alam made an additional investment of Rs.41,000.
- He had withdrawn Rs.5,000 per month during the whole year for his personal use.
- Depreciation on furniture was estimated at 10%.
- Accrues salary expense Rs.10,000.
- Unexpired rent amounting to Rs.5,000.

### REQUIRED

- Compute capital as on Jan. 1, 2005 and on Dec. 31, 2005.
- Prepare statement of profit and loss for the year ended December 31, 2005.
- Prepare statement of affairs as on December 31, 2005.

### Question # 11:

**2007 Regular & Private – BIEK**

Mr. Saad maintains his accounting records on single entry basis. The information given below has been extracted from his books of accounts:

	Jan. 1, 2006	Dec. 31, 2006
Cash	15,000	10,000
Accounts receivable	25,000	40,000
Merchandise inventory	30,000	50,000
Supplies	1,000	3,000
Equipment	40,000	120,000
Accounts payable	11,000	23,000



# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

### Additional Information on December 31, 2006:

- (a) Mr. Saad made an additional investment of Rs.60,000.
- (b) Depreciation on equipment Rs.10,000.
- (c) Mr. Saad withdrew Rs.1,000 per month during the year from the business.
- (d) Prepaid advertising Rs.4,000.
- (e) Accrued commission income Rs.15,000.
- (f) Outstanding utility bills Rs.9,000.
- (g) Taxes payable Rs.2,000.

### **REQUIRED**

- (i) Compute capital at start and end.
- (ii) Prepare statement of profit & loss for the year Dec. 31, 06.
- (iii) Prepare statement of affairs as on Dec. 31, 2006.

### **Question # 12:**

**2013 Regular – BIEK**

Mr. Asif maintains his records under Single Entry System. On April 01, 2012 he started his business with cash investment of Rs.700,000/-. His position on Dec. 31, 2012 was as follows: Cash Rs.200,000/-, Accounts receivable Rs.120,000/-, Furniture Rs.300,000/-, and Merchandise inventory Rs.480,000/-, Shop Rs.500,000/-, Accounts payable Rs.150,000/-.

### Additional Information on Dec. 31, 2012:

- (i) Mr. Asif sold a plot costing Rs.200,000/- for Rs.500,000/- cash and invested into business.
- (ii) He paid utility bills Rs.5,000/- P.M. for his residence.
- (iii) Salary prepaid Rs.10,000/- and accrued Rs.20,000/-.
- (iv) Depreciation on furniture @ 10% per annum.
- (v) Bad debts expense was estimated at 3% of accounts receivable.

### **REQUIRED**

Prepare profit and loss statement for the period ended Dec. 31, 2012.

### **Question # 13:**

**2009 Regular & Private – BIEK**

The following information is available from the books of Farhan Qazi who keeps his books under single entry system.

	<i>Jan. 1, 2008</i>	<i>Dec. 31, 2008</i>
Cash on hand	50,000	75,000
Cash at bank	50,000	75,000
Merchandise inventory	25,000	80,000
Advance from customers	50,000	20,000
Vehicle	300,000	300,000
Loan to employees	100,000	80,000
Accounts receivable	125,000	110,000
Land	---	200,000

### Additional Data as on Dec. 31, 2008:

- (i) The bank statement showed a credit of Rs.5,000 on account of direct deposit by Zubair, a customer.
- (ii) Salaries unpaid Rs.10,000 and prepaid Rs.15,000.
- (iii) Depreciation on vehicle was estimated at 10% per annum.
- (iv) On January 5, Farhan Qazi bought a piece of land for Rs.200,000 from his personal resources for business use only.

### **REQUIRED**

- (i) Compute capital at start and end.
- (ii) Prepare statement of profit and loss for the year ended December 31, 2008.
- (iii) Prepare statement of affairs as on December 31, 2008.

# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

### Question # 14:

**1992 Regular & Private – BIEK**

Mr. Azmat started business with cash investment of Rs.100,000 on January 1, 1991. He keeps his accounting records on Single Entry basis. On December 31, 1991, the following information was obtained from his accounting records:-

Cash at bank	Rs.	25,500
Accounts receivable		55,000
Merchandise inventory		40,000
Office equipment		60,000
Furniture		30,000
Unexpired insurance		2,500
Accounts payable		39,000

Additional information on December 31, 1991:-

- (a) Mr. Azmat had withdrawn Rs.2,500 per month during the year for his personal use.
- (b) He invested additional capital of Rs.25,000 during the year.
- (c) The bank statement showed a debit of Rs.750 for Zakat deduction and credit of Rs.1,200 for profit.
- (d) Insurance of Rs.1,500 had expired.
- (e) Depreciation on furniture was estimated at 20% and on office equipment at 10%.
- (f) Bad debts expenses were estimated at 5% of accounts receivable.

### REQUIRED

- (a) Prepare statement showing the calculation of capital on December 31, 1991.
- (b) Prepare a Statement of Profit and Loss for the year ending December 31, 1991.
- (c) Prepare a Statement of Affairs (Balance Sheet) as of December 31, 1991 in classified account form.

### Question # 15:

**1994 Regular & Private – BIEK**

Mr. Salman started his business on January 1, 1993 with an investment of Rs.20,000 and kept his business accounting records on single entry basis. On December 31, 1993 (end of accounting year) the following information is available from the accounting records:-

Cash	Rs.5,000
Accounts receivable	15,000
Merchandise inventory	10,000
Office equipment	10,000
Accounts payable	5,000

Supplementary data for adjustment on December 31, 1993

- (a) Mr. Salman made an additional investment of Rs.5,000 into the business during the year.
- (b) He withdrew Rs.1,000 cash from the business for his personal use.
- (c) Prepaid rent is Rs.800.
- (d) Allowance for depreciation on office equipment is to be made at 10%.
- (e) Allowance for bad debts is estimated at 3% of accounts receivable on December 31, 1993.
- (f) Accrued salary expense amounted to Rs.1,000.

### REQUIRED

- (i) Prepare Statement of Profit and Loss for the year ended December 31, 1993.
- (ii) Prepare Statement of Affairs (Balance sheet) as of December 31, 1993, in classified form.

### Question # 16:

**2002 Regular – BIEK**

Mr. Waseem started business with cash investment of Rs.100,000 on January 1, 2001. He keeps his accounting records on single entry basis. On December 31, 2001 the following information was obtained from his accounting records:

Cash at bank	Rs.	25,000
Accounts receivable	Rs.	55,000
Merchandise inventory	Rs.	40,000
Office equipment	Rs.	60,000

## Accounting for Incomplete Records (Single Entry)

### Chapter # 1

Furniture	Rs.	30,000
Un-expired insurance	Rs.	2,500
Accounts payable	Rs.	39,000

Additional information on December 31, 2001.

- (1) Mr. Waseem had withdrawn Rs.2,500/- per month during the year for his personal use.
- (2) He invested additional capital of Rs.25,000/- during the year.
- (3) The bank statement showed a debit of Rs.750/- for zakat deduction and credit of Rs.1,200/- for profit.
- (4) Insurance of Rs.1,500/- had expired.
- (5) Depreciation on furniture was estimated at 20% and on office equipment at 10%.

#### REQUIRED

- (a) Prepare statement showing the calculation of capital on December 31, 2001.
- (b) Prepare statement of profit/loss for the year ending December 31, 2001.
- (c) Prepare statement of affairs as on December 31, 2001 in classified account form.

#### Question # 17:

**2008 Regular & Private - BIEK**

On 1<sup>st</sup> May, 2007, Mr. Hammad started his business with cash investment of Rs.500,000. He maintains his accounting records under single entry system. His position on 30<sup>th</sup> April, 2008 was as under:

Cash Rs.1,500; Plant assets Rs.248,500; Accounts payable Rs.20,000; Merchandise Rs.150,000; Bank loan Rs.50,000; Accounts receivable Rs.170,000.

#### Additional Information:

- (i) Hammad withdrew Rs.7,000 per month for his private use.
- (ii) Additional investment by Hammad Rs.30,000.
- (iii) Plant assets are to be depreciated at 8% per annum.
- (iv) Prepaid rent Rs.6,000 and unpaid salaries Rs.5,000.
- (v) 5% of accounts receivable is estimated as bad debts.
- (vi) Rs.3,650 of interest is due on bank loan.

#### REQUIRED

- (a) What is Hammad's capital at the end?
- (b) Prepare statement of profit or loss for the year.
- (c) Prepare statement of affairs on 30<sup>th</sup> April, 2008.

#### Question # 18:

**2011 Private - BIEK**

Mr. Shareef started business on January 1<sup>st</sup>, 2010, with an investment of Rs.250,000/- and kept his business accounting records on single entry basis. On December 31<sup>st</sup>, 2010, the following information is available from the accounting records:

Cash	Rs.	60,000/-
Merchandise inventory	Rs.	80,000/-
Accounts receivable	Rs.	70,000/-
Equipment	Rs.	140,000/-
Accounts payable	Rs.	30,000/-
Notes payable	Rs.	20,000/-

#### Supplementary Data for the Adjustment on December 31<sup>st</sup>, 2010:

- (i) Withdrew Rs.1,000 per month cash from business for his private use.
- (ii) Depreciation on equipment is Rs.15,000/-.
- (iii) Allowance for bad debts at 5% of accounts receivable.
- (iv) Prepaid salaries Rs.3,000/-.
- (v) Accrued rent is Rs.4,500/-.

#### REQUIRED

Prepare Statement of Profit and Loss for the period ended on December 31<sup>st</sup>, 2010.

# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

### Question # 19:

2011 Regular – BIEK

Mr. Asim started a business with cash investment of Rs.900,000/-. He keeps his accounting records in single entry basis. On December 31, 2010 the following information was obtained from his accounting records:

Cash at bank	Rs.	100,000/-
Accounts receivable	Rs.	450,000/-
Merchandise inventory	Rs.	320,000/-
Building	Rs.	1,500,000/-
Accounts payable	Rs.	370,000/-

#### Additional Information on December 31, 2010:

- (i) He paid utility bills Rs.15,000/- per month for his residence.
- (ii) He sold a personal flat costing Rs.450,000/- for Rs.1,200,000/- cash and invests into business.
- (iii) Bad debts were estimated at 5% of accounts receivable.
- (iv) Depreciation was estimated at 10% on building.

#### **REQUIRED**

Prepare Statement of Affairs as on December 31, 2010. (Adjusted loss of Asim Traders for the year ended December 31, 2010 was Rs.92,500/-).

### Question # 20:

1998 Regular & Private – BIEK

Mr. Akmal started his business with a cash investment of Rs.120,000. At the end of the year, his liabilities amounted to Rs.50,000 and assets to Rs.220,000.

#### **REQUIRED**

Prepare statement of profit and loss for the year ended under each of the following situations:

- (i) Mr. Akmal made additional investment in business amounting to Rs.50,000. He also withdrew cash from business for business use Rs.4,000 per month during the year. Outstanding rent expense at the year-end amounted to Rs.25,000.
- (ii) Mr. Akmal made additional investment in business amounting to Rs.30,000. He withdrew cash Rs.15,000 and merchandise worth Rs.5,000 from business for his personal use during the year.

### Question # 21:

2001 Regular & Private – BIEK

On January 1, 2000, the total assets and the total liabilities of Mr. Aftab Ahmed, a sole proprietor, were Rs.135,000 and Rs.45,000 respectively. Up to December 31, 2000 the total assets increased by Rs.65,000 and the total liabilities decreased by Rs.20,000.

#### **REQUIRED**

- (i) Compute the capital at start and at the end of the year.
- (ii) Prepare statement of profit & loss for the year ended on December 31, 2000 under each of the following situations separately:-
  - (a) Mr. Aftab Ahmed withdrew Rs.30,000 for business use and made additional investment of Rs.20,000 during the year. At the end of the year the accrued rent amounted to Rs.3,500 and prepaid insurance Rs.2,000. The depreciation on fixed assets was estimated Rs.5,500.
  - (b) Mr. Aftab Ahmed withdrew for personal use Rs.1,000 per month during the year; at the end of the year accrued salaries amounted to Rs.6,000 and prepaid rent Rs.3,000. The estimated bad debts expense was Rs.4,000.

## Accounting for Incomplete Records (Single Entry)

### Chapter # 1

#### Question # 22:

**1991 Regular & Private – BIEK**

Khurram started his business on January 1, 1990. The business has maintained only a Cash Book a summary of his cash receipts and payments for the year ended December 31, 1990 is as follows:-

<i>Receipts</i>		<i>Payments</i>	
Khurram capital	150,000	Cash purchases	100,000
Cash sales	180,000	Salaries expense	10,000
Bank loan	10,000	Drawings	20,000
		Rent expense	9,000
		Furniture	10,000
		Bank loan	2,000

Additional information on December 31, 1990 was as under:-

- (i) Merchandise inventory was valued at Rs.10,000.
- (ii) Salaries outstanding Rs.2,000.
- (iii) Prepaid rent Rs.3,000.
- (iv) Allowance for depreciation on furniture was estimated to Rs.2,000.

#### REQUIRED

- (a) Prepare a Statement of Profit for the year ended December 31, 1990.
- (b) Prepare a Statement of Affairs (Balance Sheet) as of December 31, 1990.

#### Question # 23:

**1995 Regular & Private – BIEK**

Mr. Shamim established a General Store on January 1, 1994. He maintains his books on single entry system and uses cash basis of accounting. A summary of his cash receipts and cash payments transactions for the year is as follows:

<i>Receipts</i>		<i>Payments</i>	
Capital	75,000	Purchases	42,000
Sales	70,000	Salaries	9,000
Loan	6,000	Rent	5,600
		Furniture	20,000
		Drawings	9,000

#### Additional Information:

- (i) Accrued rent amounted to Rs.2,000.
- (ii) Merchandise inventory on December 31, 1994 was valued at Rs.12,000.
- (iii) Depreciation expense on furniture for the year was estimated at Rs.2,000.
- (iv) Accrued commission income amounted to Rs.3,500.

#### REQUIRED

- (i) Compute cash on December 31, 1994.
- (ii) Prepare statement of profit for the year ended December 31, 1994.
- (iii) Prepare statement of affairs (i.e. balance sheet) as of December 31, 1994.

#### Question # 24:

**2003 Regular – BIEK**

Mr. Aslam commenced business on Jan. 1, 2002. He maintained only cash book. A summary of his cash receipts and cash payments for the year ended Dec. 31, 2002 is as follows:

<i>Receipts</i>		<i>Payments</i>	
Aslam's Capital	100,000	Cash purchases	295,000
Cash sales	400,000	Equipment	40,000
Additional investment	50,000	Prepaid advertising	29,000
		Rent expense	18,000
		Salaries expenses	60,000

# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

### Additional information on Dec. 31, 2002:-

- (i) Prepaid advertising Rs.5,000.
- (ii) Allow for depreciation on equipment is to be made 10% p.a.
- (iii) Merchandise inventory valued at Rs.50,000.
- (iv) Taxes payable Rs.6,000.
- (v) Unexpired rent Rs.3,000.
- (vi) Outstanding salaries Rs.15,000.

### **REQUIRED**

- (i) Prepare Statement of Profit or Loss for the year ended Dec. 31, 2002.
- (ii) Prepare Statement of affairs as of Dec. 31, 2002.

### **Question # 25:**

**2005 Regular & Private - BIEK**

Mr. Adnan maintains his books on single entry system and uses only the cashbook. A summary of his receipts and cash payments for the year ending Dec. 31, 2004 is as follows:

<i>Receipts</i>		<i>Payments</i>	
Capital	20,000	Salaries expenses	6,000
Commission income	8,000	Rent	2,000
Loan	2,000	Furniture	5,000
		Drawings	3,000

### Additional Information on Dec. 31, 2004:

- (i) Accrued salary Rs.2,000.
- (ii) Prepaid rent Rs.500.
- (iii) Accrued commission income Rs.5,000.
- (iv) Depreciation expense on furniture Rs.1,000.

### **REQUIRED**

- (i) Statement of profit or loss for the year ended Dec. 31, 2004.
- (ii) Statement of Affairs as of Dec. 31, 2004.

### **Question # 26:**

**2003 Private - BIEK**

Mr. Waqar keeps his business record on single entry basis and uses a cashbook only. A summary of his cash receipts and payments during the year ended March 31, 2003 is as follows:-

<i>Receipts</i>		<i>Payments</i>	
Capital	250,000	Furniture	60,000
Notes payable	100,000	Salaries expenses	30,000
Commission income	160,000	Rent expenses	20,000
		Other expense	10,000
		Drawings	40,000

### Adjustment Data at Year End:

- (i) Commission income Rs.150,000.
- (ii) Accrued salaries Rs.6,000.
- (iii) Prepaid rent Rs.2,000.
- (iv) Depreciation on furniture Rs.3,000.

### **REQUIRED**

- (a) Prepare cash on hand on March 31.
- (b) Prepare statement of profit and loss.
- (c) Prepare statement of affairs.



## Accounting for Incomplete Records (Single Entry)

### Chapter # 1

#### Question # 27:

2000 Regular & Private – BIEK

Abid started business on March 1, 1999 under the name of Abid Stylo. The business has maintained only a cash book. The following is the summary of cash receipts and cash payments for the year ended December 31, 1999:-

<i>Receipts</i>		<i>Payments</i>	
Abid Capital	25,000	Furniture	37,000
Bank loan	15,000	Salaries expenses	14,600
Commission income	100,000	Abid Drawing	52,000
		Rent expenses	6,000

#### Additional information on December 31, 1999:

- (i) Commission received but not earned Rs.5,000.
- (ii) Commission earned but not received Rs.10,000.
- (iii) Allowance for depreciation on furniture Rs.3,000.
- (iv) Salaries unpaid Rs.1,400.

#### **REQUIRED**

- (i) Statement of Profit and Loss for the year ended December 31, 1999.
  - (ii) Statement of Affairs (Balance sheet) as of December 31, 1999.
-

# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

### MULTIPLE CHOICE QUESTIONS (MCQS)

- 1) **The opening capital is ascertained by preparing:**
  - a) Cash book
  - b) Creditors account
  - c) Debtors account
  - d) Opening statement of affairs
- 2) **A single entry system is:**
  - a) Complete and scientific system
  - b) Incomplete and unscientific
  - c) Incomplete and scientific
  - d) Complete and unscientific
- 3) **Single entry system has:**
  - a) One effect
  - b) Two effects
  - c) Three effects
  - d) None of above
- 4) **In single entry system, it is not possible to prepare:**
  - a) Receipts and payments account
  - b) Trial balance
  - c) Balance sheet
  - d) Accounts sales
- 5) **A single entry system usually adopted by:**
  - a) Company
  - b) Partnership
  - c) Government
  - d) None of above
- 6) **Cash in hand can be obtained by preparing:**
  - a) Cash book
  - b) Creditors account
  - c) Debtors account
  - d) Opening statement of affairs
- 7) **In single entry system, profit is calculated as follows:**
  - a) Opening capital + Drawing + Fresh capital – Ending capital
  - b) Capital at the end – Drawing – Fresh capital – Opening capital
  - c) Capital at the end + Drawings – Fresh capital – Opening capital
  - d) None of the above
- 8) **In single entry system, only \_\_\_\_\_ accounts are opened:**
  - a) Personal accounts
  - b) Real accounts
  - c) Nominal accounts
  - d) Real and nominal accounts
- 9) **Single entry system cannot be maintained by:**
  - a) Joint stock company
  - b) Partnership
  - c) Sole proprietorship
  - d) All of these
- 10) **Single entry system of book – keeping is generally followed by:**
  - a) Small business
  - b) Non – profit organizations
  - c) Large business
  - d) None of these
- 11) **A statement of assets & liabilities prepared under the single entry system is called:**
  - a) Balance sheet
  - b) Financial statements
  - c) Cash statement
  - d) Statement of affairs
- 12) **Net worth of an organization means the excess of its total assets over total:**
  - a) Expenses
  - b) Incomes
  - c) Liabilities
  - d) Both (a) & (b)
- 13) **Statement of financial position produced from incomplete accounting record is commonly known as:**
  - a) Balance sheet
  - b) Cash flow statement
  - c) Statement of affairs
  - d) Statement of financial operations

## Accounting for Incomplete Records (Single Entry)

### Chapter # 1

- 14) In which of the following systems of recording the financial statements reflect true & fair view of an entity and accounting records are considered to be more accurate?
- a) Single entry system
  - b) Double entry system
  - c) Cash based system
  - d) None of them
- 15) Identify the correct formula used to ascertain the closing balance of capital:
- a) Closing capital = Opening capital + Net income – Drawings – Assets
  - b) Closing capital = Opening capital + Net loss – Drawings
  - c) Closing capital = Opening capital + Assets + Incomes – Expenses
  - d) Closing capital = Opening capital + Net income – Drawings
- 16) If opening capital Rs.1,000 and closing capital Rs.2,000. Assuming no drawings during the accounting period, calculated the net income or loss for the period:
- a) Rs.1,000 income
  - b) Rs.1,000 loss
  - c) Rs.2,000 income
  - d) Rs.2,000 loss
- 17) Total opening balances of assets and liabilities are Rs.10,000 and Rs.5,000 respectively. Find out the opening capital of the business:
- a) Rs.10,000
  - b) Rs.5,000
  - c) Rs.15,000
  - d) None of them
- 18) Net profit + Operating expenses =
- a) Cost of goods sold
  - b) Net sales
  - c) Gross sales
  - d) Gross profit
- 19) Calculate the amount of net income or loss if the capital has been increased by Rs.1,000 during this accounting period, drawing Rs.5,000 and Rs.1,000 fresh capital was introduced in the business:
- a) Rs.5,000 loss
  - b) Rs.5,000 profit
  - c) Rs.6,000 loss
  - d) Rs.6,000 profit
- 20) Opening statement of affairs is usually prepared to find out the figures of:
- a) Cash in the beginning
  - b) Capital at the beginning
  - c) Profit during the year
  - d) Expense during the year
- 21) If some additional capital (fresh capital) Rs.5,000 is injected during the year, closing capital will:
- a) Increased by Rs.5,000
  - b) Decreased by Rs.5,000
  - c) Remain unchanged
  - d) Multiply by Rs.5,000
- 22) If closing capital was Rs.5,000 additional investment Rs.3,000, drawings Rs.300 per month for 6 months and profit during the year was Rs.1,300 then the amount of capital at start will be:
- a) Rs.1,700
  - b) Rs.1,600
  - c) Rs.3,800
  - d) Rs.2,500
- 23) Capital at end – Capital at start =
- a) Net income
  - b) Unadjusted income/loss
  - c) Sales
  - d) Commission income
- 24) Unearned income show in balance sheet:
- a) Current assets
  - b) Non – current assets
  - c) Current liabilities
  - d) Owner's equity
- 25) In single entry system, statement of assets, liabilities and capital is called:
- a) Income statement
  - b) Retained earnings statement
  - c) Statement of profit and loss
  - d) Statement of affairs

# Accounting for Incomplete Records (Single Entry)

## Chapter # 1

**26) This account is not included in newly formed business:**

- |                            |                               |
|----------------------------|-------------------------------|
| a) Cash                    | b) Accounts receivable        |
| c) Allowance for bad debts | d) Allowance for depreciation |

**27) The statement of affairs shows:**

- |            |              |          |                 |
|------------|--------------|----------|-----------------|
| a) Capital | b) Purchases | c) Sales | d) All of these |
|------------|--------------|----------|-----------------|

**28) Capital at end - Gross profit + Drawings = :**

- |                     |                        |
|---------------------|------------------------|
| a) Capital at start | b) Interest on loan    |
| c) Net profit       | d) Interest on capital |

**29) If closing capital is Rs.10,000/-, Additional investment Rs.6,000/-, Drawings Rs.3,600/- and profit during the year is Rs.2,600/- then the amount of capital at start was:**

- |             |             |             |             |
|-------------|-------------|-------------|-------------|
| a) Rs.1,700 | b) Rs.3,000 | c) Rs.3,700 | d) Rs.5,000 |
|-------------|-------------|-------------|-------------|

**30) Single entry records are kept by:**

- a) All the traders.
- b) Partnership
- c) Companies
- d) Traders who do not keep or know how to keep double entry records

**31) Calculate the drawings from the following information:**

**Opening capital Rs.20,000; Closing capital Rs.23,000; Gross profit Rs.5,000**

- |             |             |             |             |
|-------------|-------------|-------------|-------------|
| a) Rs.4,000 | b) Rs.2,000 | c) Rs.1,000 | d) Rs.5,000 |
|-------------|-------------|-------------|-------------|

**32) Given opening capital of Rs.16,500; closing capital of Rs.11,350 and drawings were Rs.3,300, then:**

- |                                   |                                     |
|-----------------------------------|-------------------------------------|
| a) Loss for the year was Rs.1,850 | b) Profit for the year was Rs.1,850 |
| c) Loss for the year was Rs.8,450 | d) Profit for the year was Rs.8,450 |

**33) Capital is also known as:**

- |           |                      |                      |         |
|-----------|----------------------|----------------------|---------|
| a) Debtor | b) External equities | c) Internal equities | d) Bank |
|-----------|----------------------|----------------------|---------|

**34) Total cash receipts - Total cash payments =**

- |                            |                         |
|----------------------------|-------------------------|
| a) Capital opening balance | b) Cash opening balance |
| c) Capital closing balance | d) Cash closing balance |