

Note: Higher level questions are marked with an asterisk*

4. Jo

Jo recently set-up as a satay man along Bukit Timah Road in Singapore, supplying satay for parties. Jo bought-in 1,700 chicken satays at 50 cents per satay and had 700 satays at the end of the month. He is able to sell each satay for \$1.20 and works on a pay-for-what-you-eat basis.

REQUIRED:

- a) Calculate Jo's cost of sales.
- b) What gross profit did Jo make in his first month?

5. Maria

Maria has for several years traded as a supplier of office stationery. Her trial balance as at 31 December 2022 was as follows:

	Debit	Credit
	€	€
Motor vehicle	12,500	
Trade receivables	5,250	
Bank overdraft		1,200
Inventory at 1 st January 2022	4,800	
Sales		56,500
Purchases	22,500	

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Wages	12,000	
Office expenses	5,500	
Light and heat	1,800	
Sundry expenses	1,850	
Capital account at 1 January 2022		20,500
Drawings	12,000	
	78,200	78,200

Closing inventories at 31 December 2022 were valued at €5,200.

REQUIRED:

Prepare the statement of profit or loss for the year ended 31 December 2022.

6. Mustapha

The following trial balance was taken from Mustapha's books as at 31 December 2022

	Debit	Credit
	€	€
Capital account at 1 January 2022		136,000
Inventory at 1 January 2022	28,500	
Purchases	330,000	
Sales		655,500
Wages	97,500	
Rent	18,500	
Light and heat	4,750	
Premises	200,000	

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Office equipment	25,000	
Bank balance	26,500	
Trade receivables	75,000	
Trade payables		40,000
Drawings	24,000	
Insurance	1,750	
	<u>831,500</u>	<u>831,500</u>

The inventory held at 31 December 2022 was valued at €38,000.

REQUIRED:

Prepare the statement of profit or loss for the year ended 31 December 2022.

7. Mukaba

Mukaba, while studying at college, ran a small business selling English DVDs to his fellow students. He bought them from a wholesaler in Nairobi and sold them from a stall he set up outside the student union whenever a big event was held.

During the financial (and academic) year ended 30 June 2022, he bought DVDs costing KSh.210,000, spent KSh.18,000 on coach and bus fares related to his business and paid KSh.7,500 for the right to put up his stall.

At 30 June 2022, Mukaba had an inventory of DVDs that had cost him KSh.50,000 while at the end of his previous year, his inventory was valued at KSh.15,000.

Sales of DVDs during the year amounted to KSh.230,000. Mukaba took drawings of KSh.20,000 during the year.

REQUIRED:

- a) Prepare the statement of profit or loss for Mukaba for the year ended 30 June 2022.
- b) Comment on the financial statement you have just prepared and on Mukaba's level of drawings.