

WANYANGE GIRLS SECONDARY SCHOOL

S.4 COMMERCE

Holiday Pack 02

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Question -

TASK 01

Mrs. Mugerwa has decided to venture into an income generating project. She visits her bank manager (Stanbic bank) and decides to apply for a loan. If you were the Stanbic bank manager, what would be some of the things you would consider before giving Mrs. Mugerwa a loan?

TASK 02 : Business Calculations

A trader had the following records for the financial year ended, 31st Dec. 1999.

Item	Shs.
Stock 31 st dec.1998	540,000
Average Stock	410,000
Net Purchases	8,100,000
Mark up	25%
Overhead expenses	120,000

Determine

- (i) Closing stock
- (ii) Cost of sales
- (iii) Sales
- (iv) Gross profit ratio
- (v) Net profit ratio

TASK 03

The following figures were extracted from the books of accounts of Gayaza Teacher's Association in Dec. 2000.

Item	Shs
Stock as at 1 st Jan.2000	32,000
Creditors	60,000
Loan (to association)	50,000
Purchases	116,000
Closing stock	40,000
Cash	8,000
Buildings	100,000
Bank	34,000
Debtors	38,000

- a) Calculate
- (i) Cost of sales
 - (ii) Average stock
 - (iii) Rate of turnover
 - (iv) Working capital
- b) If the association's mark -up was 25%, what was its
- (i) Turn over
 - (ii) Gross profit margin