

#### S.4 COMMERCE

1. Study the information below extracted from Prosper's books of Accounts for the year ending 2010 and answer the questions that follow.

Stock on 1.1.2011	shs.8,400,000
Stock on 31.12.2011	shs . 9,700,000
Purchases	shs.23,300,000
Sales	shs. 34,100,000

Calculate

- i) Average stock.
- ii) Cost of goods sold.
- iii) Gross profit.
- iv) Rate of Stock turn.

2. The following information was extracted from a retailers book of accounts at the end of 31st December 2008

Opening stock shs. 900,000/=

Closing stock shs. 300,000/=

Rate of stock turn 4

Gross profit as a percentage of turn over 20%

Expenses for the year shs. 200,000/=

Calculate

- (i) Average stock
- (ii) Cost of goods sold
- (iii) Turnover for the year
- (iv) Gross profit
- (v) Net profit as a percentage of turnover

3. a) State the formular you would use to compute the following;

- (i) cost of sales
- (ii) average stock
- (iii) rate of stock turn

(iv) working capital

(v) Capital employed

(vi) capital owned

b) Showing the working, copy and complete the tables below;

Table 1

Current

Liabilities

Fixed assets

Current assets

Long term liabilities

Capital owned

Capital employed

Working capital

Shs Shs Shs Shs Shs Shs Shs

18,000 50,000 22,000 20,000 - - -

- 45,000 34,000 - 48,000 72,000 26,780

15,000 - - 18,000 75,000 93,000 14,000

Table 2

Opening stock

Closing stock

Net purchases

Cost of sales

Net sales Gross profit

Average stock

Rate of stock turn

Shs Shs Shs Shs Shs Shs Shs Shs

20,000 - - - - 41,000 25,000 8

12,000 15,000 82,000 79,000 98,200 - - -