

4. Incomplete Records – Net Worth

(60)

- (a) Prepare a statement showing Dunn's Net Worth/Capital on 01/01/2016.

(30)

**Statement of Net Worth/Capital (of R. Dunn)
on 01/01/2016**

<u>Assets</u>	€	€
Premises	620,000 (3)	
Motor Vehicles	38,400 (3)	
Furniture & Equip. [€70,000 – €24,200]	•45,800 (6)	
Insurance prepaid	1,300 (3)	
Stock 01/01/2016	46,100 (2)	
Debtors	<u>18,700 (2)</u>	770,300
 <u>Less Liabilities</u>		
Creditors	26,900 (2)	
Expenses due	3,600 (2)	
Bank Overdraft	<u>19,500 (3)</u>	<u>(50,000)</u>
Net Worth/Capital on 01/01/2016		<u>••720,300 (4)</u>

- Allow 3 marks for €70,000.
- Accept correct figure only.

- (b) Prepare a statement showing Dunn's Profit or Loss for the year ended 31/12/2016.

(30)

**Statement of Profit/Loss (of R. Dunn)
for the year ended 31/12/2016**

	€	€
Assets 31/12/2016		980,000 (3)
<u>Less Depreciation</u>		
Furniture & Equipment [25% of €70,000]	17,500 (3)	
Motor Vehicles [20% of €38,400]	<u>7,680 (3)</u>	<u>(25,180)</u>
Total Assets		954,820
 <u>Less Liabilities</u>		
Liabilities	90,000 (3)	
Expenses due	<u>1,120 (3)</u>	<u>(91,120)</u>
Net Worth on 31/12/2016		863,700
Less Net Worth on 01/01/2016		•(720,300)(1)
Apparent Profit for the year		<u>143,400</u>
Less Capital Introduced		<u>(15,000)(5)</u>
		128,400
 <u>Add Drawings</u>		
House Repairs	7,500 (3)	
Stock [12 months × €700]	<u>8,400 (3)</u>	<u>15,900</u>
Net Profit for the year 2016 (1)▪		<u>••144,300 (2)</u>

- Allow full marks for student's own figure for €720,300 if consistent with previous work.
- Accept correct figure only.
- Allow 1 mark for correct word(s) if figure is incorrect or omitted.