

ACCOUNTS FROM INCOMPLETE RECORDS.

Conversion

Ratio

Capital comparison.

single entry $\rightarrow$ double entry

Prepares:-

- 1) Cash/Bank summary
- 2) Op'n B/s
- 3) Cl'n B/s
- 4) Trading P&L/Income stmt.

Additional A/c

- 1) Debtors, B/R *
- 2) Creditors, B/P *
- 3) FA, Liab, exp A/c.

assess bal fig and record appropriately.

* $\rightarrow$ 1st balance.

Balance cash & bank at last.

Expenses

actual incurred

(+) cl o/s

(-) op o/s

(+) op'n prepaid

(-) cl'n prepaid _____
CY exp

* Bill endorsed: Creditors
To B/R

dishonoured: Debtor
To Creditors.

assume all ratios in relation to Cl'n bal

$\therefore$ no avg to be taken.

$$\text{Current ratio} = \frac{CA}{CL}$$

$$\text{Quick acid test} = \frac{\text{RA except stk \& prepaid}}{CL \text{ except BOD/cash credit}}$$

$$\begin{aligned} \text{deb t/o} &= \frac{\text{credit sales/avg o/s}}{\text{stock t/o} = \frac{\text{COGS/avg stk}}{\text{FA t/o} = \frac{\text{sales/avg FA}}{\end{aligned}$$

$$\text{velocity} = \frac{365}{\text{t/o ratio}} \text{ or } \frac{12}{\text{t/or.}} \text{ (Cl, C, stk).}$$

Cl'n capital XX
Coal fig of cl b/s)

(+) drawings XX
(all Dr items of capital A/c)

(-) cap. introduced (XX)
(Cr. items)

(-) actual op'n cap (XX)

Net profit XX

we just want profit figure and no break up of P&L.