

## QUESTION 5 (10 MARKS)

Refer to the following information for Questions 5 and 6.

On 1 January 2018, the following information was available:

	2018	2017
Share capital	100 000	100 000
Retained earnings	100 000	100 000
Trade receivables	100 000	100 000
Trade payables	100 000	100 000
Plant and equipment	100 000	100 000
Inventory	100 000	100 000
Bank	100 000	100 000
Accumulated depreciation	100 000	100 000
Long-term debt	100 000	100 000
Short-term debt	100 000	100 000
Other assets	100 000	100 000
Other liabilities	100 000	100 000
<b>Total</b>	<b>1 000 000</b>	<b>1 000 000</b>

During 2018, the following transactions took place:

- 1. Issued 100 000 shares at R1.00 each.
- 2. Sold plant and equipment for R100 000.
- 3. Purchased plant and equipment for R100 000.
- 4. Issued 100 000 shares at R1.00 each.
- 5. Sold inventory for R100 000.
- 6. Purchased inventory for R100 000.
- 7. Issued 100 000 shares at R1.00 each.
- 8. Sold trade receivables for R100 000.
- 9. Purchased trade payables for R100 000.
- 10. Issued 100 000 shares at R1.00 each.
- 11. Sold long-term debt for R100 000.
- 12. Purchased short-term debt for R100 000.
- 13. Issued 100 000 shares at R1.00 each.
- 14. Sold other assets for R100 000.
- 15. Purchased other liabilities for R100 000.

At the end of 2018, the following information was available:

- 1. Share capital: 400 000 shares at R1.00 each.
- 2. Retained earnings: 100 000.
- 3. Trade receivables: 100 000.
- 4. Trade payables: 100 000.
- 5. Plant and equipment: 100 000.
- 6. Inventory: 100 000.
- 7. Bank: 100 000.
- 8. Accumulated depreciation: 100 000.
- 9. Long-term debt: 100 000.
- 10. Short-term debt: 100 000.
- 11. Other assets: 100 000.
- 12. Other liabilities: 100 000.