

Year 12 Accounting Worksheet 4

Statement of Affairs

(Note: Answer the following questions in your activity book)

1. Define Statement of Affairs.

(1 mark)

2. Max John is considering to buy a house which is on sale at the price of \$150 000. He has arranged to see his bank manager for the possibility of getting a loan to purchase the house. He has been asked to bring to the meeting his most recent financial records. Max has very little knowledge of accounting so he is seeking your assistance to guide him.

Max owns the following items:

	\$
Motor Vehicle	30 000
TV set	1 000
Computer set	2 000
Camera equipment	1 500
Savings account balance	3 000
Cheque account balance	4 000
Land	15 000

Additional Information:

- (i) Max owes \$500 to Courts Fiji Limited for his TV set.
(ii) Max still have a final \$100 purchase installment to make on his TV set.

Required:

Use the above information to prepare a Statement of Affairs for Max John to take to the bank in support of his loan application.

(10 marks)