QUESTION 1 – THE FINANCIAL POSITION

Assets = Equity + Liabilities or

Equity = Assets - Liabilities

Capital – Drawings	=	(Vehicles + Land and buildings + Plant and equipment + Inventory + Trade receivables control + Petty cash) – (Trade payables control + Bank overdraft + Mortgage secured by land and buildings)
Capital - R35 950	=	R(60 500 + 100 000 + 31 500 + 9 500 + 19 855 + 640) – R(17 160 + 25 000 + 37 500)
Capital - R35 950	=	R221 995 – R79 660
Capital - R35 950	=	R142 335
Capital – R(35 950 + 35 950)	=	R142 335 + R35 950
Capital	=	R178 285

QUESTION 2 – ASSETS

Vehicles bought for delivery purposes – non-current assets, Vehicles.
Vehicles bought for selling purposes – current assets, Inventory.