

Lee Enterprise

## Income Statement

For The Year Ended 30 September 2017

Half

	RM	RM	RM
Sales			48,500
Less: Cost of Sales			
Opening Inventory		21,960	
Purchases	17,880		
Carriage Inwards	760		
Cost of Purchases		18,640	
Cost of Goods Available for Sales		40,600	
Less: Closing Inventory		(11,209)	(29,391)
Gross Profit			19,109
Other Income			
Dividends Income		175	
Discounts Received		260	435
			19,544
Less: Expenses			
Vehicle Running Expenses		540	
Salaries		9,000	
Water and Electricity		870	
Assessment And Quit Rent		1,200	
Printing and Stationery		500	
Advertising Expenses		650	
Carriage Outwards		350	
Wages on Packaging		1,700	
Telephone Charges		450	
Depreciation of Delivery Van		380	
Depreciation of Machinery		1,400	
Interest on Loan		275	
Bad Debts		100	
Allowance for Doubtful Debts		205	(17,520)
Gross Profit			2,024

	RM	RM	RM
	Cost	Accumulated Depreciation	Carrying Amount
<u>Non-current Assets</u>			
Machinery	-	-	30,200
Delivery Van	-	-	7,220
	-	-	37,420
Investment			6,000
			43,420
<u>Current Assets</u>			
Inventory		11,209	
Accounts Receivable	4,100		
Less: Allowance for Doubtful Debts	(205)	(3,895)	
Accrued Dividend Income		75	
Prepaid Wages on Packaging		400	
Cash At Bank		3,300	18,879
Total Assets			64,299
<u>Non-current Liabilities</u>			
Loan from Yong		11,000	
<u>Current Liabilities</u>			
Accounts Payable	5,000		
Accrued Salaries	1,000		
Accrued Interest on Loan	275	6,725	
Total Liabilities			(17,275)
Net Assets			47,024
<u>Owner's Equity</u>			
Capital			45,000
Add: Net Profit			2,024
Total Equity			47,024

## Section A: Compulsory Questions (60%)

Attempt all the questions in this section.

1. The following is the Trial Balance of Lee Enterprise for six months ended 30 September 2017:

	Debit RM	Credit RM
Inv. Investment	6,000	
NCA Delivery Van, at carrying value	7,600 ✓	
PE Vehicle Running Expenses	540 ✓	
PE Salaries	8,000	9,000 ✓
TC Purchases	17,880 ✓	
NCA Machinery, at carrying value	33,600 ✓	
PE Water And Electricity	870 ✓	
PE Assessment And Quit Rent	1,200 ✓	
PE Printing And Stationery	500 ✓	
PE Advertising Expenses	650 ✓	
CA Accounts Receivable	4,200 ✓	
TC Inventory, 1 April 2017	21,960 ✓	
TC Carriage Inwards	760 ✓	
PE Carriage Outwards	250 ✓	
PE Wages On Packaging	2,100	400 ✓
PE Telephone Charges	450 ✓	
CA Cash At Bank	3,300 ✓	
PI Dividends Income		100
PI Discounts Received		175 ✓
TS Sales		260 ✓
NCL Loan From Yong		48,500 ✓
OE Capital, 1 April 2017		11,000
CL Accounts Payable		45,000
		5,000
	<u>109,860</u>	<u>109,860</u>

Additional information:

- Inventory on 30 September 2017 is valued at RM 11,209. ✓ TC-, CA ✓
- The non-current tangible assets are depreciated on a reducing balance method at a rate of 10% per annum. Calculation should be done on a monthly basis. ✓ PE × 2 ✓
- One of the machinery of cost RM 11,200 was bought on 1 July 2017.
- Interest on loan of 5% per annum has not been taken into account. ✓ PE ✓
- The actual dividends income from the investment is RM 175 for the half year. ✓ Accrued ✓
- Salaries accrued are amounted to RM 1,000, while wages in advance are RM 400.
- One of the debtors is unable to settle his remaining balance of RM 100. ✓ Bad Debts 100 PE ✓
- It is to charge 5% on the collectible accounts receivable as at 30 September 2017 as an allowance for doubtful debts. ✓ AFDD 205 PE ✓

You are required to prepare:

- Income Statement for the half year ended 30 September 2017; (12.5%)
- Statement Of Financial Position as at 30 September 2017. (7.5%)

(Total: 20%)