

## Unified Exam Bookkeeping 2012 Question No. 1

The following Trial Balance was extracted from the books of Xinlin Bhd as at 31 December 2011:

	RM	RM
Retained Profits, 1 January 2011		15,000
Inventory, 1 January 2011	30,000	
Purchases and Sales	351,000	603,000
Returns	10,000	8,000
Selling Expenses	84,000	
Debenture Interest	3,000	
Land and Buildings (cost of land RM100,000)	400,000	
Office Equipment	20,000	
Motor Vehicles	33,000	
Accumulated Depreciation of Motor Vehicles		3,000
Allowance for Doubtful Debts		5,000
Administrative Expenses	95,000	
Long-term Investments	10,000	
Carriage Inwards	10,000	
Accounts Receivables and Accounts Payables	44,000	38,000
Bank	17,000	
Share Capital (Authorised and issued ordinary shares of RM0.50 each, fully paid)		350,000
Share Premium		35,000
10% Debentures		50,000
	<u>1,107,000</u>	<u>1,107,000</u>

### Additional information:

- (i) Inventory at 31 December 2011 was RM25,000.
- (ii) Debts totalling RM4,000 were written off as bad debts, and the allowance for doubtful debts is to be maintained at 5% of remaining accounts receivables.
- (iii) Selling expenses of RM3,000 and administrative expenses of RM2,000 were owing at 31 December 2011.
- (iv) Depreciation on buildings is charged at the rate of 2% per annum on cost;  
Office equipment and motor vehicles are depreciated at 10% per annum on reducing balance basis.
- (v) The directors proposed to pay a dividend of 4% on paid-up share capital.

**You are required to prepare** the following financial statements:

- (a) Income Statement for the year ended 31 December 2011;
- (b) Statement of Changes in Equity for the year ended 31 December 2011;
- (c) Statement of Financial Position as at that date.