

### UEB 2005 Question 1

The Trial Balance of You Li Bhd as at 31 March 2005 was as follows:

	<b>Dr RM</b>	<b>Cr RM</b>
Ordinary Shares of RM1 each, issued and fully paid		200,000
12% Preference Shares of RM1 each, issued and fully paid		100,000
Investments, at cost (Market Value RM80,000)	100,000	
Mortgage Loan (Secured on Freehold Property)		50,000
Profit and Loss Account, 1 April 2004		33,000
Purchases and Sales	210,000	429,000
Inventory, 1 April 2004	53,000	
Discounts	5,000	7,000
Wages and Salaries	96,000	
Trade Receivables and Trade Payables	114,000	108,000
Carriage Outwards	6,000	
Carriage Inwards	5,000	
Water and Electricity	4,000	
Returns	8,000	5,000
Investment Income		5,000
Bad Debts	2,000	
Freehold Property	200,000	
Selling and Distribution Expenses	38,000	
Motor Vehicles	70,000	
Accumulated Depreciation - Motor Vehicles		19,000
Cash at Bank	35,000	
Petty Cash	2,000	
Allowance for Doubtful Debts		4,000
Interest on Mortgage Loan	5,000	
Interim Preference Dividend Paid	6,000	
	<hr/> 960,000	<hr/> 960,000

#### Notes:

- (a) Stock at 31 March 2005 was RM62,000.
- (b) Accrued selling and distribution expenses amounted to RM2,000.
- (c) The allowance for doubtful debts was to be increased by RM2,000.
- (d) Depreciation of motor vehicles was 10% per annum on cost.
- (e) Directors' remuneration amounted to RM15,000 per annum.
- (f) Proposed a final dividend on the preference shares and a dividend of RM0.15 per share on the ordinary shares.

**You are required to prepare an Income Statement for the year ended 31 March 2005.**