

Final Year Exam 2018 Question 3

In the books of Ma Manufacturing Company

General Ledger

(a) Hire Purchase Vendor

2016		RM	2016		RM
Jan 1	Bank - Deposit	25,000	Jan 1	Machinery	100,000
Dec31	Bank - 1 st Instalment	30,000	1	Hire Purchase Interest Suspense	15,000
31	Balance c/d	60,000			
		115,000			115,000
			2017		
Dec31	Bank - 2 nd Instalment	30,000	Jan 1	Balance b/d	60,000
31	Balance c/d	30,000			
		60,000			60,000
2018			2018		
Jan 1	Hire Purchase Interest Suspense	5,000	Jan 1	Balance b/d	30,000
1	Bank - Final Settlement	26,500	1	Termination Charges	1,500
		31,500			31,500

(b) Hire Purchase Interest Suspense

2016		RM	2016		RM
Jan 1	Hire Purchase Vendor	15,000	Dec31	Profit and Loss	
				- Hire Purchase Interest	5,000
			31	Balance c/d	10,000
		15,000			15,000
2017			2017		
Jan 1	Balance b/d	10,000	Dec31	Profit and Loss	
				- Hire Purchase Interest	5,000
			31	Balance c/d	5,000
		10,000			10,000
2018			2018		
Jan 1	Balance b/d	5,000	Dec31	Hire Purchase Vendor	5,000

(c)

Disposal of Machinery

2018		RM	2018		RM
Jan 1	Machinery	100,000	Jan 1	Accumulated Depreciation of	
				Machinery	36,000
			1	Bank - Disposal Proceeds	60,000
			1	Loss on Disposal	4,000
		100,000			100,000