**Practice 6**

Soong runs his shop with Shoes Department and Handbags Department. Below was the information extracted from his books on 30 June Year 6:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Shoes** | **Handbags** | **Total** |
|  | **RM** | **RM** | **RM** |
| Sales | 80,000 | 40,000 | 120,000 |
| Gross Profit | 31,200 | 28,800 | 60,000 |
| Sales Staff Allowances |  |  | 1,200 |
| Sales Staff Salaries |  |  | 10,000 |
| Motor Expenses |  |  | 1,500 |
| Rent and Rates |  |  | 2,400 |
| General Expenses |  |  | 3,600 |

**Additional information was available as follows:**

1. The number of sales staffs employed by the two departments were 3 and 2 respectively.
2. The following bases were to be used for apportioning the expenses:

|  |  |  |
| --- | --- | --- |
|  | **Expenses** | **Bases of apportionment** |
| (i) | Sales staff allowances | Sales |
| (ii) | Sales staff salaries and motor expenses | Number of sales staffs |
| (iii) | Rent and rates | Equally |
| (iv) | General expenses | Equally |

You are required to prepare a departmental Income Statement (Profit And Loss Account Section Only) for the year ended 30 June Year 6.

|  |  |  |
| --- | --- | --- |
| **Answer Guide:** | | |
|  | **Shoes** | **Handbags** |
|  | **RM** | **RM** |
| Expenses | 10,700 | 8,000 |
| Net Profit | 20,500 | 20,800 |