**Practice 5**

Hamil run his shop with two departments: Stationery and Books. He provided the information as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Stationery** | **Books** | **Total** |
|  | **RM** | **RM** | **RM** |
| Inventories, 1 September Year 4 | 1,000 | 7,000 | 8,000 |
| Sales | 15,000 | 85,000 | 100,000 |
| Inventories, 31 August Year 5 | 2,000 | 8,000 | 10,000 |
| Purchases | - | - | 62,000 |
| Carriage Inwards | - | - | 2,500 |

**The following had to be taken into account:**

1. 80% of the total purchases was attributable to Books Department.
2. Carriage inwards were to be shared in the ratio of their purchases.
3. During the year, the Books Department took goods of cost RM400 from the Stationery Department.

You’re required to prepare a departmental Income Statement (Trading account section only) for the year ended 31 August Year 5.

|  |  |  |
| --- | --- | --- |
| **Answer Guide:** | | |
|  | **Stationery** | **Books** |
|  | **RM** | **RM** |
| Cost of Sales | 11,500 | 51,000 |
| Gross Profit | 3,500 | 34,000 |