**Practice 7**

Hock Guan runs a shop with two departments, one selling toys and the other selling books.

**Trial Balance**

As At 31 March Year 7

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Debit** | **Credit** |
|  |  | **RM** | **RM** |
|  | Inventories, 1 April Year 6: Toys | 5,800 |  |
|  | Books | 3,700 |  |
|  | Purchases: Toys | 34,800 |  |
|  | Books | 25,200 |  |
|  | Sales: Toys |  | 85,000 |
|  | Books |  | 65,000 |
|  | Sales Returns: Toys | 8,500 |  |
|  | Books | 6,500 |  |
|  | Commission Income: Toys |  | 6,400 |
|  | Books |  | 3,200 |
|  | Rental | 3,500 |  |
|  | Salaries | 18,000 |  |
|  | Water and Electricity | 1,500 |  |
|  | Carriage Outwards | 3,000 |  |
|  | Repairs and Maintenance | 7,500 |  |
|  | Bad Debts | 800 |  |
|  | Discounts Allowed | 1,100 |  |
|  | Capital, 1 April Year 6 |  | 60,000 |
|  | Accounts Receivable and Accounts Payable | 23,100 | 13,500 |
|  | Furniture and Fixtures | 30,500 |  |
|  | Office Equipment | 40,000 |  |
|  | Bank | 13,170 |  |
|  | Cash | 6,430 |  |
|  |  | 233,100 | 233,100 |

**Additional information:**

1. Inventories at 31 March Year 7: Toys RM1,200;

Books RM2,200.

1. Accrued rental was RM1,500.
2. All expenses were to be apportioned as: Toys ;

Books .

1. During the year, the Toys Department too goods worth RM3,000 from the Books Department.

You are required to prepare:

1. Departmental Income Statement for the year ended 31 March Year 7.
2. Statement of Financial Position for the business as a whole as at that date.

**Answer Guide:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Toys** | **Books** |  |
|  |  | **RM** | **RM** |  |
| 1. | Cost Of Sales | 42,400 | 23,700 |  |
| 2. | Gross Profit | 34,100 | 34,800 |  |
| 3. | Expenses | 22,140 | 14,760 |  |
| 4. | Net Profit | 18,360 | 23,240 |  |
| 5. | Total Assets |  |  | 116,600 |