**Practice 16**

The following was the Statement Of Financial Position of Winner as at **31 December Year 16**:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **RM** |  | **RM** |
| Motor Vehicles | 15,000 | Capital | 50,000 |
| Furniture and Fixtures | 7,000 | Add: Net Profit | 8,650 |
| Office Equipment | 33,000 |  | 58,650 |
|  |  | Less: Drawings | (1,500) |
| Inventory | 5,840 |  | 57,150 |
| Accounts Receivable | 7,102 |  |  |
| Cash | 123 | Accounts Payable | 5,840 |
|  |  | Bank Overdraft | 658 |
|  |  | Suspense | 4,417 |
|  | 68,065 |  | 68,065 |

After investigation, the following errors were discovered:

1. Goods of RM 200 drawn out as free gifts to customers were entered wrongly in Drawings account.
2. Discounts received of RM 55 from Jessie had been credited to the personal account.
3. A cheque for RM 180 received from a debtor, Shimin was dishonoured but no record was made in the books.
4. The balance on Motor Vehicles account of RM 10,500 was incorrectly brought down as RM 15,000 and included in Trial Balance.
5. Goods of RM 258 returned by a customer was correctly entered in his account but was entered in Sales Returns account as RM 285.
6. Interest received of RM 60 was debited to Interest Income account and credited to Cash account.

**You are required to:**

1. prepare Journal entries to correct the above errors;
2. show a Suspense account;
3. prepare a Statement Of Corrected Net Profit / Net Loss for the above errors;
4. a revised Statement Of Financial Position as at 31 December Year 16.