**London Chamber of Commerce, UK Autumn Exam, 1967, Question 3**

The following balances were extracted from the books of the Belper Manufacturing Co. ltd. as at 30 June 1967.

|  |  |  |
| --- | --- | --- |
|  | **Debit** | **Credit** |
| Capital, Authorized, Issued, and fully paid up | **RM** | **RM** |
| - 10,000 Ordinary shares of RM10 each |  | 100,000 |
| Inventory, 1 July 1966 | 29,750 |  |
| Cash in Hand | 280 |  |
| Cash at Bank | 4,010 |  |
| Rates and Taxes | 1,250 |  |
| Sales |  | 134,610 |
| Sales Returns | 390 |  |
| Land and Buildings | 30,000 |  |
| Sundry Receivables and Sundry Payables | 53,000 | 24,180 |
| Purchases | 50,600 |  |
| Purchases Returns |  | 480 |
| Manufacturing Charges | 10,250 |  |
| Salaries | 4,750 |  |
| Manufacturing Wages | 27,100 |  |
| Bad Debts | 620 |  |
| Insurances | 1,210 |  |
| Bank Charges | 480 |  |
| General Expenses | 4,100 |  |
| Discounts Allowed | 1,780 |  |
| Machinery and Plant | 38,000 |  |
| Patents | 10,000 |  |
| Balance, 1 July 1966 |  |  |
| - Allowance for Doubtful Debts |  | 2,400 |
| - Retained Profits |  | 900 |
| General Reserve |  | 9,000 |
| Interim Dividend Paid | 4,000 |  |
|  | 271,570 | 271,570 |

**The following information should be considered:**

1. Inventory as at 30 June was RM22,290.
2. Carry forward insurance RM210.
3. Rates paid in Advance amounted to RM150.
4. Depreciate Land and Buildings 5% and Machinery and Plant 10%.
5. Write patents own to RM9,000.
6. Make an Allowance for Doubtful Debts amounting to 5% of Sundry Receivables.
7. The directors recommend to appropriate RM1,000 to General Reserve account.
8. The directors propose paying a final dividend of 10% for the year.

**You are required to prepare the following statements:**

1. Income Statement for the year ended 30 June 1967.
2. Statement of Change in Equity for the year ended 30 June 1967.
3. Statement of Financial Position as at 30 June 1967.