**Practice 1**

A retail branch in Miri is supplied with all goods at cost from its head office in Kuching. All the receipts from branch debtors are deposited into the account of head office. All the expenses at branch are paid from branch takings.

The head office provided the following information of its branch for the year ended 31 December Year 1:

|  |  |
| --- | --- |
|  | RM |
| Inventory, 1 January Year 1 | 3,000 |
| Sundry accounts receivables, 1 January Year 1 | 5,000 |
| Branch cash, 1 January Year 1 | 2,000 |
| Goods sent to branch | 10,000 |
| Cash Sales | 1,000 |
| Credit Sales | 16,000 |
| Discounts allowed | 200 |
| Salaries | 500 |
| Sundry expenses | 1,000 |
| Receipts from debtors | 8,000 |
| Returns inwards from credit customers | 300 |

On 31 December Year 1, the unsold inventory at branch was counted and valued at a cost of RM3,000.

**You are required to prepare** the following accounts in the books of head office:

1. Branch Inventory;
2. Goods Sent to Branch;
3. Branch Accounts Receivable;
4. Branch Cash;
5. Branch Profit and Loss.