**Practice 2**

Golden Bhd, a trading company in Penang has branches in Alor Setar and Subang. All the records of branches are kept by the head office. All purchases are made by head office and goods are sent to the branches at a mark-up of 33 1/3% on cost price.

The balances of Alor Setar branch in the books of head office were as follows:

|  |  |
| --- | --- |
|  | **RM** |
| 1 March Year 2: |  |
| Branch Accounts Receivables | 31,700 |
| Branch Inventory account at selling price | 39.468 |
| Branch Adjustment account | 9.867 |

The transactions for the half year ended 31 August Year 2 were as follows:

|  |  |
| --- | --- |
|  | **RM** |
| Cash sales | 18,990 |
| Credit sales | 187,390 |
| Goods on cash sales returned by a customer and cash refunded | 100 |
| Goods sent to branch at selling price | 215,980 |
| Goods returned by branch to head office at selling price | 3,868 |
| Inter-branch transfer of inventory at selling price from Subang to Alor Setar | 4,000 |
| Cash received from debtors | 211,100 |
| Rent and rates | 8,000 |
| Bad debts written off | 200 |
| Discounts allowed to debtors | 800 |
| Salaries | 10,600 |
| Sundry expenses | 1,200 |
| Goods damaged by flood valued at selling price | 2,000 |
| All branch cash deposited into head office account | ? |
| Branch Inventory account at selling price, 31 August Year 2 | 43,200 |

Notes: All the above sales were at normal selling price with the exception of goods priced at RM25,000 were sold

by branch at a discount of 10%.

Any inventory deficiency was to be treated as normal loss.

**You are required to prepare** the following accounts in the books of head office for the half year ended 31 August Year 2:

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