**2021 Chong Ling (Private) High School Paper 2 Question 5**

Chai Wei was a trader in Bookshop business for several years. Her business had two departments which is Books and Stationery department. She decided to retire, following was the final year of Trial Balance as at 31 December 2020: -

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Debit** |  | **Credit** |
|  | **RM** |  | **RM** |
| Sales (2 departments) |  |  | 303,000 |
| Inventory, 1 January 2020: Books | 20,000 |  |  |
| Stationery | 15,000 |  |  |
| Purchases: Book | 100,000 |  |  |
| Stationery | 65,000 |  |  |
| Water and Electricity | 1,400 |  |  |
| Rate and Insurance | 3,400 |  |  |
| Salary | 10,000 |  |  |
| Interest |  |  | 3,000 |
| Bad Debts Recovery |  |  | 500 |
| General Expenses | 2,500 |  |  |
| Motor Vehicles | 50,000 |  |  |
| Premises | 250,000 |  |  |
| Accumulated Depreciation of Motor Vehicles |  |  | 10,000 |
| Allowance for Doubtful Debts |  |  | 800 |
| Trade Receivables and Trade Payables | 18,000 |  | 32,100 |
| Cash in hand | 3,000 |  |  |
| Bank |  |  | 3,500 |
| Capital |  |  | 185,400 |
|  | 538,300 |  | 538,300 |

Additional Information:

1. Only Stationery Department had remaining closing inventory, and Chai Wei had donated it to charity society. This was not recorded in the books.
2. Regarding to the company policies, books department was selling it goods by a profit margin of 50%.
3. Monthly insurance premium was RM200, while rates were still owing for two months.
4. Depreciation for motor vehicles was 10% on cost.
5. Allowance for doubtful debts was 5%. Only Books department was provided credit sales.
6. All expenses and others income were share equally for both departments.

You are required to prepare Income Statement for the year ended 31 December 2020 in the books of Chai Wei.

Note: “Total” column is not required.