**2022 Confucian Private Secondary Paper 2 Question 6**

Star Company of Kuala Lumpur has a Branch in Penang, where a full set of books are kept. All goods are purchased by the Head Office in Kuala Lumpur and sent to the branch at cost price. The followings balance were extracted from the ledgers as at 30 June 2022:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Head Office** | | **Branch** | |
|  | **Debit** | **Credit** | **Debit** | **Credit** |
|  | **RM** | **RM** | **RM** | **RM** |
| Capital |  | 38,860 |  |  |
| Inventory, 1 July 2021 | 4,667 |  | 5,390 |  |
| Sales |  | 82,941 |  | 48,345 |
| Purchases | 75,000 |  |  |  |
| Goods sent to branch |  | 30,000 |  |  |
| Goods received from Head Office |  |  | 28,350 |  |
| Motor Van, at cost | 39,000 |  |  |  |
| Accumulated Depreciation of Motor Van |  | 14,040 |  |  |
| Staff Salaries | 10,000 |  | 8,250 |  |
| Rental | 7,800 |  | 4,600 |  |
| General Expenses | 2,405 |  | 1,218 |  |
| Insurance | 500 |  |  |  |
| Accounts Receivables | 3,950 |  | 6,475 |  |
| Accounts Payable |  | 14,350 |  |  |
| Branch and Head Office Current | 18,763 |  |  | 15,163 |
| Cash at Bank | 18,106 |  | 9,225 |  |
|  | 180,191 | 180,191 | 63,508 | 63,508 |

**Additional information was available as follows:**

1. The inventory in hand at 30 June 2022 were valued as follows:

Head Office RM 600

Branch RM 900

1. Depreciation motor van at the rate of 10% on book value.
2. A branch debtor has made payment to head office amounting to RM 650. The appropriate entry has been made in the head office’s books but not in the branch’s books.
3. Three-quarter of the premium insurance paid by head office was for the branch’s fire insurance.
4. On 30 June 2022, the goods in transit to the branch cost is RM 1,650 and cash in transit to the Head Office is RM 2,600.

**You are required to prepared:**

1. A columnar Income Statement for the Head Office and Branch for the year ended 30 June 2022; (including a “combined” column)
2. Branch Current Account in Head Office’s books;
3. a columnar Statement of Financial Position as at 30 June 2022.