**2022 Tsun Jin High School Paper 2 Question 1**

The following was the Trial Balance extracted from the books of Moon Enterprise, a sole proprietorship, as at 30 June 2022:

|  |  |  |
| --- | --- | --- |
|  | **Debit** | **Credit** |
|  | **RM** | **RM** |
| Leasehold Building | 100,000 |  |
| Motor Vehicles | 35,000 |  |
| Furniture And Fixtures | 20,000 |  |
| 4% Fixed Deposit (invested on 1 January 2022) | 22,000 |  |
| Purchases and Sales | 59,500 | 82,000 |
| Returns | 2,000 | 1,800 |
| Inventory, 1 July 2021 | 1,500 |  |
| Accounts Receivable and Accounts Payable | 18,000 | 14,000 |
| Accumulated Depreciation of Leasehold Building |  | 1,000 |
| Accumulated Depreciation of Motor Vehicles |  | 4,300 |
| Accumulated Depreciation of Furniture and Fittings |  | 2,500 |
| Bills Receivable and Bills Payable | 4,000 | 3,000 |
| Bad Debts | 600 |  |
| Wages and Salaries | 13,000 |  |
| Freight Inwards | 750 |  |
| Carriage Outwards | 600 |  |
| Handling Charges | 300 |  |
| Repairs and Maintenance | 1,800 |  |
| Insurance | 1,955 |  |
| Stationery | 900 |  |
| Rental |  | 2,600 |
| Bad Debts Recovered |  | 800 |
| Interest on Loan | 400 |  |
| Bank |  | 2,000 |
| Cash | 1,695 |  |
| Drawings | 3,000 |  |
| 7% Loan from Q Finance (repayable on 31 March 2022 |  | 10,000 |
| Capital |  | 163,000 |
|  | 287,000 | 287,000 |

**Additional information:**

1. Value of inventory on 30 June 2022 was RM 2,110 at cost and RM 2,010 at market price.
2. Trader took some inventory of cost RM 20 per month for use in demonstration, but this transaction as omitted from the books.
3. A quarter of repairs and maintenance fees was paid for the owner’s residence.
4. Out of the insurance paid, there is an amount of RM 850 which covers a 6-month period to 30 September 2022.
5. Balance of interest on loan for the reporting period was still outstanding. The first year’s fixed deposit interest was due and to be received before 31 August 2022.
6. Unused stationery was RM 100 and rental from tenant included an amount of RM 200 deposit.
7. An owing amount of RM 400 due from a debtor is unlikely to be collected at the end-of-period.
8. To make an allowance for doubtful debts of 2.5% on the balance of accounts receivable.
9. Depreciation on the non-current assets:

Leasehold Building - 2% per annum on fixed instalment basis;

Motor Vehicles - 10% per annum on written down value;

Furniture And Fixtures - straight line over 8 years with scrap value of RM 400.

**You are required to prepare:**

1. Income Statement for the year ended 30 June 2022;
2. Statement Of Financial Position as at 30 June 2022.