**Confucian Private Secondary School**

**Final Examination 2022**

**试题例释**

Paper 1 Multiple-Choice Questions

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1. B | 2. C | 3. C | 4. A | 5. D | 6. D | 7. C | 8. D | 9. B | 10. A |
| 11. A | 12. B | 13. B | 14. B | 15. C | 16. D | 17. A | 18. A | 19. D | 20. D |

Paper 2 Subjective Questions

**Section A: Compulsory Questions (60%)**

**Question 1**

**(a) In the books of CPSS Limited (buyer)**

**General Journal**

2%

2%

2%2%2%

2%1%

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Particular** | **Debit** | **Credit** |
| 2022 |  | **RM** | **RM** |
| Jan 1 | Premises | 300,000 |  |
|  | Motor Vehicles | 50,000 |  |
|  | Inventory | 9,000 |  |
|  | Trade Receivables | 7,400 |  |
|  | Goodwill | 140,000 |  |
|  | Trade Payables |  | 6,030 |
|  | Allowance for Doubtful Debts (7,400 x 5%) |  | 370 |
|  | Business Purchase |  | 500,000 |
|  | (Being assets and liabilities taken over) | 506,400 | 506,400 |
|  |  |  |  |
| 1 | Business Purchase | 500,000 |  |
|  | Vendor – Julia Enterprise |  | 500,000 |
|  | (Being business purchased at a price of RM 500,000) |  |  |
|  |  |  |  |
| 1 | Vendor – Julia Enterprise | 500,000 |  |
|  | Bank |  | 180,000 |
|  | 6% Preferred Share Capital |  | 200,000 |
|  | Ordinary Share Capital (100,000 x RM 1) |  | 100,000 |
|  | Share Premium (RM 120,000 – RM 100,000) |  | 20,000 |
|  | (Being purchase price settled by the combination payments of cash, 100,000 6% preferred shares at RM 2 each, and the balance by 100,000 ordinary shares at RM 1 each at premium.) |  |  |
|  |  |  |  |
| 1 | Premises (1,000,000 – 500,000 – 300,000) | 200,000 |  |
|  | Assets Revaluation Reserve |  | 200,000 |
|  | (Being revaluation of total premises to RM 1,000,000) |  |  |
|  |  |  |  |

**(b) In the books of Julia enterprise (seller):**

**(i)**

**Realisation**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2022 |  | RM | 2022 |  | RM |
| Jan 1 | Premises | 300,000 | Jan 1 | Trade Payables | 6,030 |
| 1 | Motor Vehicles | 80,000 | 1 | Buyer - CPSS Limited | 500,000 |
| 1 | Inventory | 11,030 |  |  |  |
| 1 | Trade Receivables | 7,400 |  |  |  |
| 1 | Capital: Gain on Realisation | 107,600 |  |  |  |
|  |  |  |  |  |  |
|  |  | 506,030 |  |  | 506,030 |
|  |  |  |  |  |  |

**(ii)**

**Buyer – CPSS Limited**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2022 |  | RM | 2022 |  | RM |
| Jan 1 | Realisation | 500,000 | Jan 1 | Bank | 180,000 |
|  |  |  | 1 | Capital-6% pref shares | 200,000 |
|  |  |  | 1 | Capital-ordinary shares | 120,000 |
|  |  |  |  |  |  |
|  |  | 500,000 |  |  | 500,000 |

**(iii)**

**Bank**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2022 |  | RM | 2022 |  | RM |
| Jan 1 | Balance b/d | 89,220 | Jan 1 | Rent Due | 2,320 |
| 1 | Buyer - CPSS Limited | 180,000 | 1 | Capital | 266,900 |
|  |  |  |  |  |  |
|  |  | 269,220 |  |  | 269,220 |

**(iv)**

**Capital**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2022 |  | RM | 2022 |  | RM |
| Jan 1 | Buyer: CPSS Limited |  | Jan 1 | Balance b/d | 479,300 |
|  | -6% preference shares | 200,000 | 1 | Realisation | 107,600 |
|  | -ordinary shares | 120,000 |  | -Gain on realisation |  |
| 1 | Bank | 266,900 |  |  |  |
|  |  |  |  |  |  |
|  |  | 586,900 |  |  | 586,900 |

**(c) “**Goodwill”

- is the value given to the **good reputation of a business**. (1%)

- it is an **intangible asset** which cannot be seen or touched. (1%)

**OR**

“Gain on Bargain purchase”

- consider as **negative goodwill**. (1%)

- recognised as **gain in Income Statement** and eliminated immediately. (1%)

**Question 2**

**(a) In the ledger of Mitsui Enterprise:**

**(i)**

**Machinery**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021 |  |  | RM | 2021 |  |  | RM |
| Jan 1 | Balance b/d |  | 61,000 | Mar 31 | Disposal of Machinery (A) |  | 15,000 |
| Feb 10 | Honda Trading (D) |  | 20,000 | May 14 | Disposal of Machinery (B) |  | 24,000 |
| Sept 10 | Disposal of Machinery |  |  | Sept 10 | Disposal of Machinery (C) |  | 22,000 |
|  | - trade in (E) |  | 18,000 | Dec 31 | Balance c/d |  | 67,000 |
| 10 | Bank (32,000 – 18,000) |  | 14,000 |  |  |  |  |
| Dec 1 | Capital (F) |  | 15,000 |  |  |  |  |
|  |  |  | 128,000 |  |  |  | 128,000 |
| 2022 |  |  |  |  |  |  |  |
| Jan 1 | Balance b/d |  | 67,000 |  |  |  |  |

**(ii)**

**Accumulated Depreciation of Machinery**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021 |  |  | RM | 2021 |  |  | RM |
| Mar 31 | Disposal of Machinery (A) |  | 9,000 | Jan 1 | Balance b/d |  | 25,400 |
| May 14 | Disposal of Machinery (B) |  | 12,000 | Dec 31 | Profit and Loss |  | 8,700 |
| Sept 10 | Disposal of Machinery (C) |  | 4,400 |  |  |  |  |
| Dec 31 | Balance c/d |  | 8,700 |  |  |  |  |
|  |  |  | 34,100 |  |  |  | 34,100 |
|  |  |  |  | 2022 |  |  |  |
|  |  |  |  | Jan 1 | Balance b/d |  | 8,700 |

**(iii)**

**Disposal of Machinery**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021 |  |  | RM | 2021 |  |  | RM |
| Mar 31 | Machinery (A) |  | 15,000 | Mar 31 | Accumulated Depreciation |  |  |
|  |  |  |  |  | of Machinery |  | 9,000 |
|  |  |  |  | 31 | Toko Insurance Company |  | 4,800 |
|  |  |  |  |  | (15,000 - 9,000) x 80% |  |  |
|  |  |  |  | Dec 31 | Profit and Loss |  |  |
|  |  |  |  |  | - Loss on Disposal |  | 1,200 |
|  |  |  | 15,000 |  |  |  | 15,000 |
| May 14 | Machinery (B) |  | 24,000 | May 14 | Accumulated Depreciation |  |  |
|  |  |  |  |  | of Machinery |  | 12,000 |
|  |  |  |  | 14 | Bank |  | 9,600 |
|  |  |  |  |  | (24,000 - 12,000) x 80% |  |  |
|  |  |  |  | Dec 31 | Profit and Loss |  |  |
|  |  |  |  |  | - Loss on Disposal |  | 2,400 |
|  |  |  | 24,000 |  |  |  | 24,000 |
| Sept 10 | Machinery (C) |  | 22,000 | Sept 10 | Accumulated Depreciation |  | 4,400 |
| Dec 31 | Profit and Loss |  | 400 |  | of Machinery |  |  |
|  | - Profit on Disposal |  |  | 10 | Machinery - trade in |  | 18,000 |
|  |  |  |  |  |  |  |  |
|  |  |  | 22,400 |  |  |  | 22,400 |

**(b)**

**Mitsui Enterprise**

**Statement of Financial Position (extract) as at 31 December 2021**

|  |  |  |
| --- | --- | --- |
| **Non-current Assets** | **RM** | **RM** |
| Machinery | 67,000 |  |
| Less: Accumulated Depreciation of Machinery | 8,700 | 58,300 |
|  |  |  |

**(c)**

**Causes of Depreciation Factors affecting calculation of Depreciation**

- Physical deterioration -Cost

- Obsolescence -Useful life

- Passage of Time -Scrap value / residual value

- Depletion -Method of calculating depreciation

**(Any 3): ½ % x 3 (Any 3): ½ % x 3**

**Workings:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **Machinery** | **Calculation** | **Depreciation** | | **Accumulated**  **Depreciation** |
| **RM** | **RM** |  |
| 2018 | A  B | 15,000 x 20%  24,000 x 20% x 1/2 | 3,000  2,400 | 5,400 | 5,400 |
| 2019 | A  B | 15,000 x 20%  24,000 x 20% | 3,000  4,800 | 7,800 | 13,200 |
| 2020 | A  B  C | 15,000 x 20%  24,000 x 20%  22,000 x 20% | 3,000  4,800  4,400 | 12,200 | 25,400 |
| 2021 | D  E  F | 20,000 x 20%  32,000 x 20% x 1/2  15,000 x 20% x 1/2 | 4,000  3,200  1,500 | 8,700 | 34,100  - 9,000 (A)  - 12,000 (B)  - 4,400 (C)  = 8,700 |

**Question 3**

**(a) (i)**

|  |  |  |  |
| --- | --- | --- | --- |
| Application |  | Allotment |  |
| 100,000 | (Full) | 100,000 |  |
|  |  |  |  |
| 200,000 | (Partial) | 100,000 | (2:1) |
| 300,000 | - | 200,000 | = Excess Application Monies |

= 100,000 x RM 0.60

= **RM 60,000 (1%)**

|  |  |
| --- | --- |
| Total Refunded | Allotment Monies Received |
| = 35,000 x RM 0.60 | = (100,000 x RM 1.00) + (100,000 x RM 1.00) - RM 60,000 |
| = RM 21,000 | = RM 100,000 + RM 40,000 |
|  | = RM 140,000 |

(ii) First and final call per share

= RM 2.10 – RM 0.60 – RM 1.00

**= RM 0.50 (1%)**

(iii) Interim dividend on ordinary shares

= 300,000 shares x RM 0.08

**= RM 24,000 (1%)**

**(b) In the books of Soho Berhad:**

**General Journal**

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Particulars** | **Debit** | **Credit** |
| 2021 |  | **RM** | **RM** |
| Jan 15 | Bank (335,000 x RM 0.60) | 201,000 |  |
|  | Application and Allotment |  | 201,000 |
|  |  |  |  |
| 31 | Application and Allotment | 320,000 |  |
|  | Ordinary Shares Capital (200,000 x RM 1.50) |  | 300,000 |
|  | Share Premium (200,000 x RM 0.10) |  | 20,000 |
|  |  |  |  |
| 31 | Application and Allotment | 21,000 |  |
|  | Bank - Refunded (35,000 shares x RM 0.60) |  | 21,000 |
|  |  |  |  |
| Feb 10 | Bank | 140,000 |  |
|  | Application and Allotment |  | 140,000 |
|  |  |  |  |
| Mar 1 | First and Final Call | 100,000 |  |
|  | Ordinary Shares Capital (200,000 x RM 0.50) |  | 100,000 |
|  |  |  |  |
| 31 | Bank (100,000 - 2,500) | 97,500 |  |
|  | Call in Arrears (5,000 x RM 0.50) | 2,500 |  |
|  | First and Final Call |  | 100,000 |
|  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| May 15 | Bank (RM 380,000 x 99%) | 376,200 |  |
|  | Application and Allotment-7% loan notes |  | 376,200 |
|  |  |  |  |
| 31 | Application and Allotment-7% loan notes | 297,000 |  |
|  | 7% Loan Notes (RM 300,000 x 99%) |  | 297,000 |
|  |  |  |  |
| 31 | Application and Allotment-7% loan notes | 79,200 |  |
|  | Bank - Refund (RM 80,000 x 99%) |  | 79,200 |
|  |  |  |  |

**(b)**

**Ordinary Share Capital**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2021 |  | RM | 2021 |  | RM |
| Jun 30 | Balance c/d | 600,000 | Jan 1 | Balance b/d | 200,000 |
|  |  |  | 31 | Application and Allotment | 300,000 |
|  |  |  | Mar 1 | First and Final Call | 100,000 |
|  |  | 600,000 |  |  | 600,000 |
|  |  |  | Jul 1 | Balance b/d | 600,000 |

**(c)**

**Soho Bhd**

**Statement of Financial Position (extract) as at 30 June 2021**

|  |  |  |
| --- | --- | --- |
| **Equity:** | **RM** | **RM** |
| Ordinary Share Capital |  | 600,000 |
| Less: Call in Arrears |  | 2,500 |
|  |  | 597,500 |
| Share Premium (30,000 + 20,000) |  | 50,000 |
|  |  | 647,500 |
| **Non-Current Liabilities** |  |  |
| 7% Loan Notes |  | 297,000 |

**Section B: Elective Questions (20%)**

*Attempt any one of the three questions in this section.*

**Question 4**

**In the ledger of Summer Limited: Consignor**

**(a)(i)**

**Consignment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2021 |  | RM | 2021 |  | RM |
| Jul 1 | Goods Sent on Consignment | 16,000 | Jul 8 | Manulife Insurance - Claim | 900 |
| 5 | Bank |  | Dec 31 | Consignee - Sales | 19,200 |
|  | - Insurance | 140 | 31 | Unsold Inventory c/d |  |
|  | - Freight | 260 |  | - Cost 1,920 |  |
| Dec 31 | Consignee |  |  | (12 cases x RM 160) |  |
|  | - Storage Expenses | 275 |  | - Related Expenses 108 |  |
|  | - Packaging Expenses | 185 |  | (140+260) x 12/100 |  |
|  | - Selling Expenses | 240 |  | + [275+185] x 12/92 \_\_\_\_ | 2,028 |
| 31 | Bills Receivable | 190 |  |  |  |
|  | - Discounting Charges |  |  |  |  |
| 31 | Consignee |  |  |  |  |
|  | - Selling Commission | 1,920 |  |  |  |
|  | - Del Credere Commission | 480 |  |  |  |
| 31 | Profit and Loss |  |  |  |  |
|  | - Profit on Consignment | 2,438 |  |  |  |
|  |  |  |  |  |  |
|  |  | 22,128 |  |  | 22,128 |
| 2010  Jan 1 | Unsold Inventory b/d | 2,028 |  |  |  |

(ii) **Consignee – KK Trading**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2021 |  | RM | 2021 |  | RM |
| Dec 31 | Consignment | 19,200 | Dec 31 | Consignment |  |
|  |  |  |  | - Storage Expenses | 275 |
|  |  |  |  | - Packaging Expenses | 185 |
|  |  |  |  | - Selling Expenses | 240 |
|  |  |  | 31 | Consignment |  |
|  |  |  |  | - Selling Commission | 1,920 |
|  |  |  |  | - Del Credere Commission | 480 |
|  |  |  | 31 | Bills Receivable | 9,000 |
|  |  |  |  | Bank | 7,100 |
|  |  |  |  |  |  |
|  |  | 19,200 |  |  | 19,200 |

(iii) **Bill Receivable**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2021 |  | RM | 2021 |  | RM |
| Dec 31 | Consignee | 9,000 | Dec 31 | Bank | 8,810 |
|  | - KK Trading |  | 31 | Consignment | 190 |
|  |  |  |  | - Discounting charges |  |
|  |  |  |  |  |  |
|  |  | 9,000 |  |  | 9,000 |

**In the ledger of KK Trading: Consignee**

(b)(i)  **Consignor – Summer Ltd**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2021 |  | RM | 2021 |  | RM |
| Dec 31 | Bank |  | Dec 31 | Consignment A/C Receivables | 19,200 |
|  | - Storage Expenses | 275 |  | - Credit sales |  |
|  | - Packaging Expenses | 185 |  |  |  |
|  | - Selling expenses | 240 |  |  |  |
| 31 | Commission received | 2,400 |  |  |  |
|  | (1,920 + 480) |  |  |  |  |
| 31 | Bills Payable | 9,000 |  |  |  |
| 31 | Bank | 7,100 |  |  |  |
|  |  | 19,200 |  |  | 19,200 |

(ii) **Commission Received**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2021 |  | RM | 2021 |  | RM |
| Dec 31 | Profit and Loss | 2,400 | Dec 31 | Consignor |  |
|  |  |  |  | - Selling Commision | 1,920 |
|  |  |  |  | - Del Credere Commission | 480 |
|  |  | 2,400 |  |  | 2,400 |

(iii) **Consignment Accounts Receivable**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2021 |  | RM | 2021 |  | RM |
| Dec 31 | Consignor | 19,200 | Dec 31 | Bank | 15,600 |
|  |  |  | 31 | Bad Debts | 3,600 |
|  |  | 19,200 |  |  | 19,200 |
|  |  |  |  |  |  |

(b) Del Credere Commission

is an extra commission based on an additional percentage of gross sales and paid to the **consignee** who agrees to accept responsibility for any bad debts resulting from sales made on credit.

**[ ½% + ½% ]**

**Question 5**

**(a)**

|  |  |
| --- | --- |
| RM |  |
| 4,000 | Initial Deposit [ RM200 + (38,000 x 10%) ] |
| 40,800 | 8 quarterly instalment x RM 5,100 |
| 44,800 (i) | Hire Purchase Price |
| (38,000) | Cash Price |
| 6,800 (ii) | Hire Purchase Suspense / Total Hire Purchase interest |
|  | (38,000 – 4,000) x 10% x 2 years |

**(iii)** Quarterly hire purchase interest

= RM 6,800 / 8

= RM 850

(b) In the books of Carfree **Bhd** (buyer):

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| (i) | Motor Van | | | | |
| 2020 |  | RM | 2020 |  | RM |
| Jan 1 | Hire Purchase Vendor | 38,000 | Dec 31 | Balance c/d | 38,000 |
| 2021 |  |  | 2021 |  |  |
| Jan 1 | Balance b/d | 38,000 | Oct 1 | Disposal of Motor Van | 38,000 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| (ii) | | Hire Purchase Vendor – Carsome Bhd. | | | | | | | |
| 2020 | |  |  | RM | 2020 | |  |  | RM |
| Jan | 1 | Bank – Initial Deposit |  | 4,000 | Jan 1 | | Motor Van |  | 38,000 |
| Mar | 31 | Bank - 1st Instalment |  | 5,100 | 1 | | HP Interest Suspense |  | 6,800 |
| Jun | 30 | Bank - 2nd Instalment |  | 5,100 |  | |  |  |  |
| Sept | 30 | Bank - 3rd Instalment |  | 5,100 |  | |  |  |  |
| Dec | 31 | Bank - 4th Instalment |  | 5,100 |  | |  |  |  |
|  | 31 | Balance c/d |  | 20,400 |  | |  |  |  |
|  | |  | | 44,800 |  | |  | | 44,800 |
| 2021 | |  | |  | 2021 | |  | |  |
| Mar | 31 | Bank - 5th Instalment | | 5,100 | Jan | 1 | Balance b/d | | **20,400** |
| Jun | 30 | Bank - 6th Instalment | | 5,100 | Oct | 1 | Termination Charges | | **250** |
| Sept | 30 | Bank - 7th Instalment | | 5,100 |  |  |  | |  |
| Oct | 1 | Bank - Final Settlement | | 4,500 |  |  |  | |  |
|  | 1 | HP Interest Suspense | | 850 |  |  |  | |  |
|  |  |  | | 20,650 |  |  |  | | 20,650 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| (iii) | Hire Purchase Interest Suspense | | | | | |
| 2020 |  | RM | 2020 |  |  | RM |
| Jan 1 | Hire Purchase Vendor | 6,800 | Dec 31 | Profit and Loss  - Hire Purchase Interest |  | 3,400 |
|  |  |  |  | (RM850 x 4) |  |  |
|  |  |  | 31 | Balance c/d |  | 3,400 |
|  |  | 6,800 |  |  |  | 6,800 |
| 2021 |  |  | 2021 |  |  |  |
| Jan 1 | Balance b/d | **3,400** | Oct 1 | Profit and Loss |  | 2,550 |
|  |  |  |  | - Hire Purchase Interest |  |  |
|  |  |  |  | (RM850 x 3) |  |  |
|  |  |  | 1 | Hire Purchase Vendor |  | 850 |
|  |  | 3,400 |  |  |  | 3,400 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| (iv) | Accumulated Depreciation Of Motor Van | | | | | |
| 2020 |  | RM | 2020 |  | | RM |
| Dec 31 | Balance c/d | 3,800 | Dec 31 | Profit And Loss  - Depreciation of MV |  | 3,800 |
| 2021 |  |  | 2021 |  |  |  |
| Oct 1 | Disposal of Motor Van | 3,800 | Jan 1 | Balance b/d |  | 3,800 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| (v) | Disposal of Motor Van | | | | |
| Year 7 |  | RM | Year 7 |  | RM |
| Oct 1 | Motor Van | 38,000 | Oct 1 | Acc Depn of Motor Van | 3,800 |
|  |  |  | 1 | Insurance Company | 30,000 |
|  |  |  |  | -claim / compensation |  |
|  |  |  | 1 | Loss On Disposal of MV | 4,200 |
|  |  | 38,000 |  |  | 38,000 |

**Question 6**

**(a)**

**Star Company**

**Income Statement for the year ended 30 June 2022**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Head Office | | Branch | | Combined | |
|  | RM | RM | RM | RM | RM | RM |
| Sales |  | 82,941 |  | 48,345 |  | 131,286 |
|  |  |  |  |  |  |  |
| Less: Cost of Sales |  |  |  |  |  |  |
| Opening Inventory | 4,667 |  | 5,390 |  | 10,057 |  |
| Purchases | 75,000 |  | - |  | 75,000 |  |
| Goods Sent to Branch | (30,000) |  | - |  | (Contra) |  |
| Goods Received From HO | - |  | 28,350 |  | (Contra) |  |
|  | 49,667 |  | 33,740 |  | 85,057 |  |
| Less: Closing Inventory | (600) |  | (900) |  | (1,500) |  |
| Goods In Transit | - | (49,067) | - | (32,840) | (1,650) | (81,907) |
| Gross Profit |  | 33,874 |  | 15,505 |  | 49,379 |
| Less: Expenses |  |  |  |  |  |  |
| Staff Salaries | 10,000 |  | 8,250 |  | 18,250 |  |
| Rental | 7,800 |  | 4,600 |  | 12,400 |  |
| General Expenses | 2,405 |  | 1,218 |  | 3,623 |  |
| Insurance (W1) | 125 |  | 375 |  | 500 |  |
| Depreciation of Motor Van(W2) | 2,496 | (22,826) | - | (14,443) | 2,496 | (37,269) |
| Net Profit |  | 11,048 |  | 1,062 |  | 12,110 |

**Workings:**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Head Office** | **Branch** |
| [W1] | Insurance | 500 x 1/4= 125 | 500 x 3/4= 375 |
| [W2] | Depreciation of Motor Van | (39,000 – 14,040) x 10% = 2,496 | - |

**(b)**

In the books of Head Office

Branch Current

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2022 |  | RM | 2022 |  | RM |
| Jun 30 | Balance b/d | 18,763 | Jun 30 | Goods In Transit | 1,650 |
| 30 | Insurance | 375 | 30 | Cash in Transit | 2,600 |
| 30 | Profit and Loss (Head Office) | 1,062 | 30 | Balance c/d | 15,950 |
|  | - Branch Net Profit |  |  |  |  |
|  |  | 20,200 |  |  | 20,200 |
| 2022 |  |  |  |  |  |
| Jul 1 | Balance b/d | 15,950 |  |  |  |

**(c)**

**Star Company**

**Statement of Financial Position as at 30 June 2022**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Head Office** | | **Branch** | | **Combined** | |
| Non-Current Assets | RM | RM | RM | RM | RM | RM |
| Motor Van |  | 39,000 |  |  |  | 39,000 |
| Less Accumulated Depreciation |  | 16,536 |  |  |  | 16,536 |
|  |  | 22,464 |  |  |  | 22,464 |
| Current Assets |  |  |  |  |  |  |
| Inventory | 600 |  | 900 |  | 1,500 |  |
| Accounts Receivable | 3,950 |  | 5,825 |  | 9,775 |  |
| Goods In Transit | 1,650 |  | - |  | 1,650 |  |
| Cash in Transit | 2,600 |  | - |  | 2,600 |  |
| Bank and Cash | 18,106 |  | 9,225 |  | 27,331 |  |
| Branch Current | 15,950 |  | - |  | Contra |  |
|  |  | 42,856 |  | 15,950 |  | 42,856 |
| Total Assets |  | 65,320 |  | 15,950 |  | 65,320 |
|  |  |  |  |  |  |  |
| Less: Current Liabilities |  |  |  |  |  |  |
| Accounts Payable | 14,350 |  | - |  | 14,350 |  |
| Head Office Current | - |  | 15,950 |  | Contra |  |
|  |  | (14,350) |  | (15,950) |  | (14,350) |
| Net Assets |  | 50,970 |  | - |  | 50,970 |
|  |  |  |  |  |  |  |
| Owner’s Equity |  |  |  |  |  |  |
| Capital |  | 38,860 |  | - |  | 38,860 |
| Add: Net Profit |  | 12,110 |  | - |  | 12,110 |
| Total Equity |  | 50,970 |  | - |  | 50,970 |