

**Question 2 (30%) (39.5)**

**SH Bhd**

**Income Statement**

**For The Year Ended 31 December 2022**

	RM	RM
Sales		800,000
<b>Cost of Sales</b>		(310,000)
Gross Profit		490,000
Interest Income		4,000
		494,000
Less: Depreciation	40,000	
Wages and Salaries	185,000	
Other Operating Expenses	107,500	
Interest Expenses	2,500	
Loss on Disposal of Non Current Assets	4,000	(339,000)
Profit before taxation		155,000
Taxation		(41,000)
<b>Profit for the year</b>		<b>114,000</b>

**Statement Of Financial Position**

**As At 31 December 2022**

	31 December 2022		31 December 2021	
	RM	RM	RM	RM
<b>Non- current Assets</b>				
Property, Plant and Equipment	435,000		360,000	
Less: Accumulated Depreciation	(125,000)	310,000	(110,000)	250,000
<b>Investments</b>		30,000		35,000
		340,000		285,000
<b>Current Assets</b>				
Inventory	70,000		50,000	
Trade Receivables	95,000		53,000	
Insurance Paid In Advance	2,000		1,000	
Short-term Investments	7,000		1,000	
Bank	17,000	191,000	7,000	112,000
<b>Total Assets</b>		<b>531,000</b>		<b>397,000</b>
<b>Equity</b>				
Ordinary Share Capital		240,000		200,000
Share Premium		30,000		15,000
Retained Profit		130,000		38,000
		400,000		253,000
<b>Non-Current Liabilities</b>				
Secured Bank Loan	12,000		30,000	
<b>Current Liabilities</b>				
Trade Payables	57,000		70,000	
Salaries Accrued	13,000		8,000	
Tax Payable	49,000	131,000	36,000	144,000
<b>Total Equity and Liabilities</b>		<b>531,000</b>		<b>397,000</b>

**Additional information:**

- ( 1 ) Goods were all purchased and sold on credit.
- ( 2 ) During the year, the company had paid RM122,000 for a new piece of non-current assets.
- ( 3 ) The dividends paid during the year was RM 22,000.

( I ) You are required to prepare **Statement of Cash Flows** for the year ended 31 December 2022 by using **Direct Method**. Find the “Cash generated from operations” with appropriate items as follows:  
(Workings must be shown)

- a) Cash receipts from customers
- b) Cash paid to suppliers
- c) Cash paid to employees
- d) Other operating cash payments

( II ) State **three items** which do not involve a movement of cash in an accounting period when preparing the Statement of Cash Flows