

QUESTION 3 (25%) (38.5)

The following balances were extracted from the books of Seng Bhd as at 30 September 2017:

	Debit	Credit
	RM	RM
Discounts Allowed	2,000	
Inventory, 1 October 2016	150,000	
Purchases and Sales	475,000	903,000
Sales Returns	3,000	
Carriage Inwards	12,000	
Distribution Costs and Administrative Expenses	102,000	
Interest on Fixed Deposit		2,000
Short-term Bank Deposits	20,000	
Interim Dividend	12,000	
Bank Overdraft		24,800
Accounts Payables		40,000
Freehold Property, 1 October 2016	700,000	
Motor Vehicles, at cost	172,000	
Accumulated Depreciation of Motor Vehicles		51,000
Gain on Disposal of Motor Vehicles		8,000
Cash and Bank	11,800	
Quoted Investments, at cost 1 October 2016	76,000	
Dividend Income from Investments		6,600
8% Secured Loan Notes (Repayable 2020)		60,000
Interest expenses	4,800	
General Reserves		5,000
Retained Profits, 1 October 2016		20,200
Share Premium		20,000
Ordinary Shares Capital of RM 2.00 each		600,000
	1,740,600	1,740,600

The following information was available for the year ended 30 September 2017:

- 1) Inventory at 30 September 2017 was RM 122,000.
- 2) Depreciation was charged at 10% on cost of motor vehicles, but no depreciation was to be charged on freehold property.
- 3) The freehold property was revalued to RM 775,000 by a qualified valuer.
The board of directors decided to incorporate the new value in the books.
- 4) The distribution costs and administrative expenses included the following:

	RM
Wages and salaries	70,000
Audit fees	3,000
Directors' Emoluments	20,000
General administrative expenses	5,000
Haulage costs - Distribution	3,000
Donation to charity	1,000
- 5) The tax expenses for the year was RM 55,600.
- 6) The directors proposed a transfer of RM 10,000 to General Reserves.

You are required to prepare the following for the year ended 30 September 2017:

- (a) Statement of Comprehensive Income for publication, notes to accounts are not required.
- (b) Statement of Changes In Equity for publication.