

QUESTION 2 (28%) (38.3)

The following information was the balances of Universal Bhd for the year ended 30 June 2016:

	Debit RM	Credit RM
Retained Profits, 1 July 2015		24,000
Inventory, 1 July 2015	22,000	
Purchases and Sales	95,000	215,000
Sales Returns	9,000	
Carriage Inwards	2,000	
Freehold Land	350,000	
Rental Income		12,000
General Expenses - Distribution	3,000	
- Administrative	2,600	
Discounts Allowed and Discounts Received	1,000	800
Bad Debts	2,200	
Loan Notes Interest	4,800	
Interest on Fixed Deposit		900
Income from Investment		3,500
Administrative Wages and Salaries	24,000	
Salesmen's Salaries and Commission	18,000	
Hire of Motor Vehicles for Salesmen	13,200	
Equipment, at cost		
- Distribution	6,000	
- Administrative	8,000	
8% Secured Loan Notes		60,000
General Reserves		9,000
Share Premium		20,000
Ordinary Shares of RM 1.00 each		200,000

The following information was available for the year ended 30 June 2016:

- (1) Inventory at 30 June 2016 was RM 26,000.
- (2) Depreciation was charged at 20% on cost of Equipment.
- (3) The following expenses had not been taken into account:

Auditors' Remuneration	RM 2,400
Corporation Tax	RM 12,000
- (4) Freehold Land was revalued to RM 400,000 at the end of the reporting date.
It is revalued every 5 years.
- (5) The directors had proposed a dividend of 10% for the year.

(I) You are required to prepare the following for the year ended 30 June 2016:

- (a) Income Statement for internal use; and
- (b) Statement of Comprehensive Income for publication, **notes are not required.**

(II) Accounting ratios are useful to different users of Universal Bhd.

Name out **four users** of such ratios.