Data for Question 1

The following balances were extracted from the books of Tulip Ltd on 31 July 2024.

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Sales revenue	402 645
Sales returns	30 246
Cost of goods sold	209 856
Rent	37 000
Salaries	80 388
Insurance	17 600
Office furniture	40 300
Inventory	11 920
Motor vehicles	120 800
Accumulated depreciation:	
Office furniture	4 030
Motor vehicles	30 200
Trade receivables	15 320
Allowance for impairment of trade receivables	2 300
Trade payables	2 543
Cash at bank (overdraft)	2 212
2% Bank loan	50 000
Interest on bank loan	500
Share capital, 100 000 ordinary shares	50 000
Retained earnings	20 000

The following information was made available on 31 July 2024.

1 Insurance was paid for 15 months ending on 31 October 2024.

2 Salaries outstanding was $700.

3 A credit customer who owed $326 was declared bankrupt and the amount has yet to be written off.

4 $2200 of trade receivables is estimated to be uncollectible.

5 Motor vehicles are to be depreciated at 20% on net book value per annum.

6 Office furniture is to be depreciated at 10% on cost per annum.

7 Interest on bank loan has not been fully paid for the year ended 31 July 2024.

8 $30 000 of long-term borrowing was payable on 31 March 2025.

9 The company declared a dividend of $0.05 per share. The dividend will be paid on 31 August 2024.

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