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DEYI SECONDARY SCHOOL

Preliminary Examination 2024
Secondary 4 Express / 5 Normal (Academic)

Name:	
Class:	**Index No.:**

PRINCIPLES OF ACCOUNTS **7087/02**

Paper 2
INSERT

5 August 2024
1150 – 1350h
2 hours

READ THESE INSTRUCTIONS FIRST

This insert contains the data for Question 1

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Data for Question 1

1 The following balances were extracted from the books of Clifford Legal Pte Limited on 31 March 2024.

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Office equipment	96 000
Motor vehicles	248 000
Accumulated depreciation:	
Office equipment	28 000
Motor vehicles	140 000
Trade receivables	80 300
Trade payables	8 000
Allowance for impairment of trade receivables	2 140
Rent expense	12 000
Service fee revenue	35 800
Wages and salaries	18 600
General expense	1 200
Commission income	6 200
Cash at bank	8 000
Cash in hand	3 200
10% bank loan repayable on 31 March 2027	105 000
Interest paid on 10% bank loan	8 000
Share capital, 100 000 ordinary shares	100 000
Retained earnings at 1 April 2023	50 160

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Additional information

1 Commission income, $600, had been received in advance.

2 The amount for rent expense covers the period from 1 April 2023 to 30 June 2024.

3 Gain on sale of a motor vehicle, $500 was recorded in service fee revenue account.

4 Office equipment, which has a scrap value of $26 000 and is estimated to last 5 years, is to be depreciated using the straight-line method. Motor vehicles are to be depreciated at 15% per annum using the reducing-balance method.

5 One-fifth of the bank loan is to be paid on 31 March 2025. Interest on the bank loan for the year to 31 March 2024 is not yet fully paid.

6 An amount of $2 000 owing by a bankrupt credit customer has not been written off.

7 A review of the trade receivables at year-end indicated that 5% of the balance is likely to become uncollectible.

8 A dividend of $0.03 per share had been declared and will be paid on 28 August 2024.

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