Name:	Class: Sec _____	Index No.: _____

4E5N

MERIDIAN SECONDARY SCHOOL
PRELIMINARY EXAMINATION 2024

PRINCIPLES OF ACCOUNTS
7087/02

Paper 2

23 August 2024

SECONDARY 4 EXPRESS / 5 NORMAL (ACADEMIC)

2 hours

INSERT

READ THESE INSTRUCTIONS FIRST

This insert contains the data for Question 1.

For Examiner's Use	
Total Marks	

This insert consists of **2** printed pages.

[Turn over

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Data for Question 1

Wong owns an advertising business, providing advertising services to his customers.

The following balances were extracted from the books of the business on 31 December 2023.

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Fixtures and fittings	350 000
Equipment	70 000
Capital	120 000
Drawings	3 000
Advertising fee revenue	948 000
Rent expense	90 000
Salaries	85 700
General expenses	20 550
Cash at bank	567 050
5% Bank loan	160 000
Interest expense	7 000
Trade receivables	45 000
Allowance for impairment of trade receivables	10 300

Additional information

1 As at 31 December 2023,

(i) $22 000 of rent expense had been paid in advance.
(ii) Interest on bank loan had not been fully paid.

2 A trade receivable who owed $3 000 was declared bankrupt during the year. The debt has not yet been written off.

3 The business decided to make an allowance for impairment of trade receivables based on 8% of its remaining trade receivables.

4 Depreciation is at 20% per annum for fixtures and fittings using straight line method and at 10% for equipment using reducing balance method.

5 One-quarter of the bank loan was due for repayment on 1 February 2024.

6 During the year, the business issued an invoice of $17 000 for commission not yet received. This has not yet been recorded in the books.

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