Name: _____ Index Number: _____ Class: _____

TEMASEK SECONDARY SCHOOL
Preliminary Examination 2024
Secondary Five Normal Academic

PRINCIPLES OF ACCOUNTS 7087/02

Paper 2

2 hours

INSERT

READ THESE INSTRUCTIONS FIRST

This insert contains the data for Question 1.

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Data for Question 1

The following balances were extracted from the books of Zion Trading Pte Ltd on 31 July 2024:

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Office equipment at cost	324 000
Motor vehicles at cost	150 000
Accumulated depreciation:	
Office equipment	57 600
Motor vehicles	76 500
Sales revenue	585 504
Inventory	51 000
Cost of sales	319 080
Sales returns	25 560
Commission income	33 840
Interest income	2 640
Advertising expense	9 360
Wages and salaries	75 600
Repairs expense	540
Rent expense	12 900
Allowance for impairment of trade receivables	1 260
Trade receivables	38 000
Bank deposit (short-term)	18 000
3% bank loan repayable 2030	96 000
Trade payables	20 760
Cash at bank (debit balance)	14 280
Issued share capital, 50 000 ordinary shares	90 000
Retained earnings at 1 August 2023	74 216

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Additional information on 31 July 2024:

1 Office equipment is to be depreciated at 10% per annum using the straight-line method assuming a scrap value of $24 000.

2 Motor vehicle is to be depreciated at 25% per annum using the reducing-balance method.

3 Rent, $3 500, was owing and advertising expenses, $1 800 were prepaid.

4 The bank loan was obtained on 1 August 2023. Interest on the bank loan for the year ended 30 July 2024 had not yet been paid.

5 The allowance for impairment of trade receivables is to be maintained at 5% of trade receivables.

6 The company declared a dividend of $0.10 per share. The dividend will be paid on 1 September 2024.

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