



**HILLGROVE SECONDARY SCHOOL  
PRELIMINARY EXAMINATION 2024  
SECONDARY FOUR (EXPRESS)  
/ FIVE (NORMAL ACADEMIC)**

CANDIDATE  
NAME

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**PRINCIPLES OF ACCOUNTS**

**7087/02**

Paper 2

**27 Aug 2024**

INSERT

**2 hours**

**10.05 AM to 12.05 PM**

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**READ THESE INSTRUCTIONS FIRST**

This insert contains the data for Question 1.

**Data for Question 1**

The following balances were extracted from the books of Danish Hairstyling Ltd on 31 December 2023.

	\$
Hairstyling revenue	125 000
Fixtures and fittings	50 000
Hairstyling equipment	14 000
Accumulated depreciation:	
Fixtures and fittings	19 200
Hairstyling equipment	4 200
Cash in hand	17 600
Cash at bank (Cr)	700
Trade receivables	8 400
Allowance for impairment of trade receivables	500
Share capital, 10 000 ordinary shares	20 000
Retained earnings at 1 January 2023	4 900
Hairstyling supplies expense	12 500
Salaries expense	24 000
Rent paid	37 000
Utilities expense	11 000

**Additional information on 31 December 2023**

- 1 Fixtures and fittings are to be depreciated at 10% per annum using the straight-line method assuming a scrap value of \$2 000.
- 2 Hairstyling equipment are to be depreciated at 30% per annum using the reducing-balance method.
- 3 Utilities of \$590 was owing.
- 4 Annual rent was \$36 000.
- 5 A credit customer, Nickolas, had been uncontactable for more than a year. \$400 owing by Nickolas was to be written off.
- 6 It was decided that 2% of trade receivables were unlikely to be collectible.
- 7 The company declared a dividend of \$0.10 per share. This will be paid on 8 January 2024.