



新加坡海星中学

MARIS STELLA HIGH SCHOOL  
PRELIMINARY EXAMINATIONS  
SECONDARY FOUR

**PRINCIPLES OF ACCOUNTS**

Paper 2

INSERT

**7087/02**

**22 August 2024**

**2 hours**

**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 Happiness Ptd Ltd on 31 May 2024.

	\$	
Motor vehicles at cost	270 000	
Fixtures and fittings at cost	64 000	
Accumulated depreciation of		
Motor vehicles	48 000	
Fixtures and fittings	6 400	
Inventory	83 500	
Sales revenue	642 000	
Sales returns	4 100	
Cost of sales	448 310	
Trade receivables	31 400	
Trade payables	9 150	
Allowance for impairment of trade receivables	1 350	
Cash at bank	1 000	Cr
Commission income	4 400	
Interest expense	2 500	
Utilities expense	7 200	
Wages and salaries	54 220	
Discount received	1 830	
Rent expenses	72 000	
Discount allowed	1 900	
Share capital, 110 000 ordinary shares	220 000	
Retained earnings 1 June 2023	5 000	
Bank loan	100 000	

## Additional information

- 1 Motor vehicles are to be depreciated at 10% using the straight-line method assuming a scrap value of \$30 000.
- 2 Fixtures and fittings are to be depreciated at 20% per annum using the reducing-balance method.
- 3 At 31 May 2024:
  - (i) commission income, \$600, had yet to be received
  - (ii) utilities expense, \$1 200, was prepaid
  - (iii) wages and salaries. \$1 780, were owing.
- 4 A debt of \$ 1400 owed by a customer was found to be irrecoverable. The company decided to write this amount off.
- 5 It was decided that 5% of the trade receivables were unlikely to be collectible.
- 6 On 31 May 2024, goods costing \$3 500 were damaged. The inventory has yet to be written down.
- 7 One fifth of the bank loan is to be repaid on 31 December 2024.
- 8 The company declared a dividend of \$0.06 per share. This will be paid on 30 June 2024.

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