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| Name: | Class: Sec _____ | Index No.: _____ |
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| <div style="border: 1px solid black; padding: 10px; display: inline-block;"> <h1 style="margin: 0;">4E5N</h1> </div> |  <div> MERIDIAN SECONDARY SCHOOL PRELIMINARY EXAMINATION 2024 </div> |
| 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. | | | | | |
|---|--|--------------------|--|-------------|--|
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| <table border="1" style="margin-left: auto;"> <tr> <th colspan="2">For Examiner's Use</th> </tr> <tr> <td style="width: 50%; text-align: center;">Total Marks</td> <td style="width: 50%;"></td> </tr> </table> | | For Examiner's Use | | Total Marks | |
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| This insert consists of 2 printed pages. |
| [Turn over] |

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.

| | \$ |
|---|---------|
| 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.