

Name: \_\_\_\_\_ Index Number: \_\_\_\_\_ Class: \_\_\_\_\_



## TEMASEK SECONDARY SCHOOL

Preliminary Examination 2024

Secondary Five Normal Academic

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### PRINCIPLES OF ACCOUNTS

**7087/02**

Paper 2

**2 hours**

INSERT

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### 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:

	\$
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

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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