

2022 4E5N Prelim P2 Question 1

1a)	Tiffani Pte Limited	Marks	1b)
	Statement of financial performance for the year ended 31 August 2021		
	\$	\$	
Sales revenue (340,370+5,600)	345,970	1	
Less: Sales returns	3,920		
Net sales revenue	342,050	1 OF	
Less: Cost of sales	182,400		
Gross profit	159,650	1 OF	
Add: Other income			
Commission income	1,960		
Less: Other expenses			
Wages and salaries	86,910		
Equipment repairs (18,810+8,000)	26,810	1	
Advertisement (19,810/14*12)	16,980	1	
Selling expenses	10,990		
Interest (10%*30,000)	3,000	1	
Depreciation of motor vehicles (20% * (63,000 - 22,680))	8,064	1	
Depreciation of equipment (10% * (204,000-8000))	19,600	1	
Reversal of impairment loss on trade receivables (2,870-4%*(41,400+5,600))	(990)	171,364 1	
Loss for the year	(9,754)		
	Total	9	

	Tiffani Pte Limited	Marks
	Statement of financial position as at 31 August 2021	
	\$	\$
	\$	\$
ASSETS		
Non-current assets	Cost	Accumulated depreciation
Motor vehicles	63,000	30,744
Equipment	196,000	93,200
		Net book value
		32,256
		102,800
		135,056
Current assets		
Trade receivables (41,400 + 5,600)	47,000	1
Less: Allowance for impairment of trade receivables (4%*47,000)	1,880	45,120
Inventory		70,000
Prepaid Advertisement		2,830
Total assets		117,950
		253,006
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital, 150,000 ordinary shares	180,000	1
Retained earnings (24,720 - 9,754 [OF] -0.03*150,000 [1])	10,466	190,466
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Non-current liabilities		
Long-term borrowings		30,000
Current liabilities		
Trade payables	25,200	
Bank overdraft	1,220	1
Interest payable (10%*30,000 - 1,380)	1,620	1
Dividend payable (0.03*150,000)	4,500	32,540
Total equity and liabilities		253,006
		Total
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