



# Deoxyfication

## NA/G2 Sec 4 WA1 POA Practice Paper

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### *DISCLAIMER:*

This is not an **OFFICIAL** paper created by a school. Although this is a practice paper, it may not cover the entire syllabus and marks in questions may differ from actual WA papers. It is advisable to practice using practice papers provided by an **OFFICIAL SCHOOL/SOURCE**. Some questions has been taken from school papers and worksheets so that you can practice with possible WA questions. Names and numbers in questions has been changed subsequently.

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### **Instructions:**

Do this paper at your own leisure and time.

You can redo this paper as many times as you want.

The answers for this paper is in the Official Deoxyfication Google Drive provided with this practice paper.

Chapters included in this practice paper:

- Chapter 10: Trade Receivables
- Chapter 12: Trade Payables

Total Duration: 1 hour

The total marks for this paper is **30**.

1. Isaac is a sole trader who buys and sells shoes. He buys goods on credit from Raiden. During May 2024, Isaac had the following transactions with Raiden.

- May 1 Isaac owed Raiden \$1400.  
10 Isaac bought goods from Raiden at a list price of \$2000, less 10% trade discount.  
13 Isaac returned damaged goods bough on 10 October to Raiden, list price of \$450.  
22 Isaac paid Raiden to settle the amount owed on 1 May by cheque, less 5% cash discount.

**REQUIRED**

- (a) Define Trade Payables. [1]

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- (b) Why do businesses buy on credit instead of paying cash? [2]

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- (c) Prepare Raiden's Account for the month of May 2024 in the books of Isaac. [8]

Trade Payable - Raiden				
Date	Particulars	Dr	Cr	Bal
2024		\$	\$	\$

- (d) Give one reason why Raiden gave Isaac a discount on 22 May 2024. [1]

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2. On 1 May 20X2, Sigma Trading had the following balance:

	\$
Allowance for impairment of trade receivables	2600

On 9 December 20X2, a credit customer, Aura Co, closed down and the business wrote off its debts amounting to \$500.

On 30 April 20X3, the trade receivables balance was \$55 000. The business decides to make an allowance for impairment of trade receivables based on 5% of its trade receivables.

## REQUIRED

- (a) Calculate the allowance for impairment of trade receivables for the year ended 30 April 20X3. [1]

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- (b) Prepare the journal entry to record the following: [8]

- (i) Write off debt owed by Aura Co.
- (ii) Adjustment of allowance for impairment of trade receivables for the financial year ended 30 April 20X3.

Journal			
Date	Particulars	Dr (\$)	Cr (\$)

- (c) Prepare an extract of statement of financial performance for the year ended year ended 30 April 20X3, showing only the expenses portion. [2]

Sigma Trading		
Extract of statement of financial performance for the year ended 30 April 20X3		
	\$	\$

3. The following allowance for impairment of trade receivables account is extracted from the books of Kino Books for the year ended 31 July 2022 and 2023.

<b>Allowance for impairment of Trade Receivables (Cr)</b>				
Date	Particulars	Dr (\$)	Cr (\$)	Bal (\$)
2021				
Aug 1	Balance b/d			3400 Cr
2022				
Jan 27	Trade receivables: Pop Journals	1360		2040 Cr
Jul 31	Impairment loss on trade receivables		1140	3180 Cr
Aug 1	Balance b/d			3180 Cr
2023				
Jul 31	Impairment loss on trade receivables	780		2400 Cr
Aug 1	Balance b/d			2400 Cr

## REQUIRED

- (a) Interpret the entries on the following dates: [4]

27 January 2022:

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31 July 2022:

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- (b) State the effect of adjusting allowance for impairment of trade receivables on current assets and profit for the year ended 31 July 2022. [1]

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**(c)** The balance of the trade receivables account as at 31 July 2023 is \$12 000.

Prepare an extract of statement of financial position as at 31 July 2023,  
showing only the current assets section.

Kino Books Extract of statement of financial position as at 31 July 2023		
	\$	\$

**End Of Paper**