NAME	FORM CLASS	ACAD CLASS	INDEX NO.

ST. PATRICK'S SCHOOL
PRELIMINARY EXAMINATION 2026

SUBJECT	**:**	**Principles of Accounts (7087/02)**	**DATE**	**:**	**14 August 2026**
LEVEL	**:**	**Secondary 4 Exp/5NA**	**DURATION**	**:**	**2 hours**

INSERT

READ THESE INSTRUCTIONS FIRST.

This insert contains the data for Question 1.

This question paper consists of 2 printed pages including the cover page.

Data for Question 1

Adrian, the owner of Advance Technology Company, provided the following balances of the business on 31 August 2026.

	$	
Fixtures and fittings	189 000	
Motor vehicles	80 810	
Accumulated depreciation:		
Fixtures and fittings	59 080	
Motor vehicles	31 240	
Cash at bank	1 780	(Credit)
Cash in hand	6 000	
Capital, 1 September 2025	94 992	
Drawings	9 270	
Discount received	1 840	
Sales revenue	602 360	
Cost of sales	126 315	
Sales returns	9 365	
Trade payables	44 776	
Trade receivables	95 700	
Inventory	281 000	
Commission income	16 210	
Salaries expense	22 400	
Rent expense	60 000	
General expense	14 198	
Interest on bank loan	720	
6% Bank loan, repayable	40 000	
2030	2 500	
Allowance for impairment of trade receivables		

Additional information

1 As at 31 August 2026,
- Commission owing to the business was $4 725.
- Rent was paid for 15 months to 31 December 2026.
- The annual salaries was $30 000.

2 Following a review of the trade receivables, 4% of the trade receivables were estimated to be uncollectible.

3 Depreciation on non-current assets is based on the following methods:
- Fixtures and fittings are to be depreciated at a rate of 15% per annum using the straight-line method.
- Motor vehicles are to be depreciated at a rate of 20% per annum using the reducing-balance method.

4 Interest for the year on the 6% bank loan has not been paid in full.

5 One-quarter of the bank loan is to be repaid on 31 December 2026.

6 A fire broke out on 30 August 2026 and destroyed 25% of the inventory. The insurance company has agreed to cover the loss on 30 September 2026.