

**BERJAYA BUSINESS SCHOOL**

**FINAL EXAMINATION**

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_  
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Course Code & Name : **BGN1306 ACCOUNTING**  
Trimester & Year : JANUARY – APRIL 2018  
Lecturer/Examiner : FARIDAH HANUM AMRAN  
Duration : 3 Hours

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**INSTRUCTIONS TO CANDIDATES**

1. This question paper consists of 2 parts:  
PART A (20 marks) : Answer ONE (1) compulsory question. Answers and workings are to be written in the Answer Booklet provided.  
PART B (80 marks) : Answer FOUR (4) out of FIVE (5) short answer questions. Answers and workings are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment and calculator into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

**WARNING:** The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

**Total Number of pages = 7 (Including the cover page)**

**PART A : COMPULSORY QUESTION (20 MARKS)**

**INSTRUCTION (S)** : There is **ONE** (1) question in this section. Write your answers in the Answer Booklet(s) provided.

Anastasia extracted the following Trial Balance at 31 January 2018:

Anastasia		
Trial Balance as at 31 January 2018		
	\$	\$
Stock at 1 February 2017	62,262	
Bad debts	15,120	
Purchases and Sales	2,035,530	2,898,990
Stationery expenses	72,000	
Insurance	63,720	
General expenses	5,220	
Return Inwards and Return Outwards	4,455	51,948
Wages and salaries	451,170	
Capital		1,093,014
Debtors and Creditors	494,100	129,330
Allowance for doubtful debts		2,700
Drawings	237,510	
Bank	73,170	
Cash	1,215	
Fixtures and fittings, at cost	280,800	
Motor vehicles, at cost	486,000	
Accumulated depreciation:-		
- Fixtures and fittings		56,160
- Motor vehicles		81,000
Discount allowed and Discount received	49,410	18,540
	<b>4,331,682</b>	<b>4,331,682</b>

Additional information at 31 January 2018:

- i. Closing stock was valued at \$186,570
- ii. Wages and salaries owing \$19,710
- iii. Insurance prepaid \$2,376.
- iv. A general expense of \$2,700 was wrongly taken up in stationery expenses. This amount has yet to be adjusted as at end of January 2018.
- v. The allowance for doubtful debts is to be adjusted at 1% of closing debtors.
- vi. Depreciation is to be provided as follows:
  - Fixtures and fittings – 10% using the straight line method.
  - Motor vehicles – 15% using the reducing balance method.

**Required**

Prepare the following:-

- a) A Statement of Comprehensive Income for the year ended 31 January 2018. (11 marks)
- b) A Statement of Financial Position as at 31 January 2018. (9 marks)

**[Total 20 marks]**

**END OF PART A**

**PART B : SHORT ANSWER QUESTIONS (80 MARKS)**

**INSTRUCTION (S)** : There are **FIVE (5)** questions in this section, answer only **FOUR (4)** questions. Write your answers in the Answer Booklet(s) provided.

**QUESTION 1**

The following information has been extracted from the books of Aleena Sdn Bhd:

<b>Balances at 1 January 2018:</b>	<b>Dr (\$)</b>	<b>Cr (\$)</b>
Purchases Ledger Control Account		130,154
Sales Ledger Control Account	398,052	

Transactions for the month of January 2018:

	<b>\$</b>
Credit sales	209,340
Cash sales	16,020
Cheque payments to creditors	57,938
Credit purchases	69,233
Goods returned by debtors	2,367
Cash purchases	1,080
Debtor's cheque dishonoured	675
Discount allowed	3,294
Goods returned to creditors	1,044
Bad debts written off	1,890
Discount received	1,283
Cheques received from debtors	189,846
Legal fees reimbursed to debtors	5,400
Interest charged to debtors	2,250
Transfers of debit balances in sales ledger to purchases ledger	11,250

The allowance for doubtful debts is to be maintained at 2% of debtors at 31 January 2018.

**Required**

- a) Prepare the following control accounts:-
- i) Purchase Ledger Control Account for the month of January 2018. (7 marks)
  - ii) Sales Ledger Control Account for the month of January 2018. (11 marks)
- b) Prepare as at 31 January 2018, a Statement of Financial Position extract showing the balance for debtors' and creditors' figures under the headings of Current Assets and Current Liabilities. (2 marks)

**[Total 20 marks]**

## QUESTION 2

Aisyah Azman, a trader, whose financial year ends on 31 December, purchased the following fixed assets and paid by cheque:

- 1 January 2010 Office Furniture \$33,750
- 1 March 2011 Delivery Vehicle \$48,000

Aisyah Azman's depreciation policy is as follows:

Office furniture -10% per annum using the straight line method.

Delivery vehicle - 25% per annum using the reducing balance method.

A full year's depreciation is charged in each year regardless of the date of purchase. On the 31 December 2012 Aisyah Azman sold the delivery vehicle and received a cheque for \$24,000.

### **Required**

Prepare the following ledger accounts for the years ended 31 December 2010, 2011 and 2012:

- |  |           |
|--|-----------|
| a) Office Furniture                                | (4 marks) |
| b) Accumulated Depreciation - Office Furniture     | (6 marks) |
| c) Delivery Vehicle                                | (3 marks) |
| d) Accumulated for Depreciation - Delivery vehicle | (4 marks) |
| e) Disposal of Delivery Vehicle                    | (3 marks) |

**[Total 20 marks]**

**QUESTION 3**

Aisyah Arissa Sdn Bhd operates a retail business. The following are the financial statements for the last two years.

**Aisyah Arissa Sdn Bhd**  
**Statement of Comprehensive Income for the year ended 31 January**

	<b>2017</b> <b>(\$)</b>	<b>2018</b> <b>(\$)</b>
Sales	240,000	360,000
<b>Cost of sales:</b>		
Opening stock	42,000	21,000
Purchases	159,000	261,000
	201,000	282,000
Less closing stock	21,000	30,000
	180,000	252,000
<b>Gross profit</b>	<b>60,000</b>	<b>108,000</b>
<b>Less expenses:</b>		
General expenses	46,200	61,800
Debenture interest	1,200	4,800
<b>Net profit</b>	<b>12,600</b>	<b>41,400</b>

**Aisyah Arissa Sdn Bhd**  
**Statement of Financial Position as at 31 January**

	<b>2017</b> <b>(\$)</b>	<b>2018</b> <b>(\$)</b>
Fixed assets at net book value	147,000	168,000
<b>Current Assets</b>		
Stock	21,000	30,000
Debtors	33,000	39,600
Bank	-	6,000
	54,000	75,600
<b>Current Liabilities</b>		
Creditors	18,000	14,400
Bank	12,000	-
	30,000	14,400
<b>Working Capital</b>	<b>24,000</b>	<b>61,200</b>
	171,000	229,200
<b>Financed by:-</b>		
<b>Non- Current Liabilities</b>		
8% Debentures	15,000	60,000

<b>Owner's Equity</b>		
Capital	120,000	120,000
Retained profit	36,000	49,200
	156,000	169,200
	171,000	229,200

**Required**

a) Calculate correct to **TWO (2) decimal places** the following ratio for each of the two years 2017 and 2018. Show all workings.

- (i) Gross profit as a percentage of sales
- (ii) Net profit as a percentage of sales
- (iii) Return on the capital employed at the year end
- (iv) Current ratio
- (v) Acid test ratio
- (vi) Rate of average stock turnover (times)
- (vii) Debtors' collection period (in days)
- (viii) Creditors' collection period (in days)

(16 marks)

b) Comment on the change in the firm's liquidity, and state **TWO (2)** reasons for the change.

(4 marks)

**[Total 20 marks]**

**QUESTION 4**

Aina Taskirah started business on 1 January 2017 buying and selling a single product. Details of purchases and sales for the year of 2017 were as follows:

<b>Date</b>	<b>Details</b>	<b>Unit</b>	<b>Purchase Price (\$)</b>	<b>Selling Price (\$)</b>
January	Opening Balance	75	15.50	
February	Purchases	38	17.30	
April	Purchases	23	18.20	
May	Sales	53		47.50
October	Purchases	15	16.00	
November	Sales	68		51.00

**Required**

- a) Calculate the **cost of the ending inventory** and the **cost of goods sold** using the following methods:-
- (i) First In, First Out (FIFO) (5 marks)
  - (ii) Last In, First Out (LIFO) (5 marks)
  - (iii) Weighted Average Cost (5 marks)
- b) Compare the results of the **THREE (3)** inventory methods in a tabular format and determine the gross profit for each of the methods. Indicate which method produces the lowest gross profit.
- (5 marks)

**[Total 20 marks]****QUESTION 5**

Sheila Seven records her bank and cash transactions in a 3-column Cash Book. On 1 January 2018, she had a cash balance of \$1,860 and a bank balance of \$21,426. The following transactions took place during January 2018:

January	Details
2	The following paid their accounts by cheque (all amounts are pre-discount), in each case deducting 5 per cent cash discounts: <ul style="list-style-type: none"> <li>- Shane \$780</li> <li>- Faizul \$960</li> <li>- Obrien \$1,260</li> </ul>
4	Paid for electricity bills by cheque \$1,290.
6	Beatrice provides \$20,000 loan to Sheila by cheque.
8	Sheila paid the following accounts by cheque (all amounts are pre-discount), in each case deducting a 10 per cent cash discount: <ul style="list-style-type: none"> <li>- Wani \$2,160</li> <li>- Gerrad \$2,880</li> <li>- Faizah \$4,800</li> </ul>
10	Sheila paid for printer repair and maintenance with cash \$243.
12	Patricia pays her account of \$270, by cheque \$264, deducting \$6 cash discount.
15	Sheila paid rent in cash \$1,740.
18	The following paid their accounts by cheque (all amounts are pre-discount), in each case deducting 5 per cent cash discount: <ul style="list-style-type: none"> <li>- Park \$1,620</li> <li>- Ellie \$2,100</li> <li>- Aisyah \$1,560</li> </ul>
21	Cash withdrawn from the bank \$1,200 for business use.
24	Cash Drawings \$600.
25	Paid Piper her account of \$480, by cash \$450, having deducted \$30 cash discount.
27	Bought a new printer paying by cheque \$2,160.
27	Sheila received commission by cheque \$360.

**Required**

Write up the 3-column Cash Book for the month of January 2018, carrying down the balances.

**[Total 20 marks]****END OF QUESTION PAPER**