

BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) :

Course Code & Name : **ACC1133 ACCOUNTING**
Trimester & Year : January- April 2018
Lecturer/Examiner : Ms. Faridah Hanum Amran
Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

- This question paper consists of 3 parts:**
 - PART A (20 marks) : TWENTY (20) multiple-choice questions. Answer ALL questions in the Answer Booklet(s) provided.**
 - PART B (20 marks) : TWENTY (20) true or false questions. Answer ALL questions in the Answer Booklet(s) provided.**
 - PART C (60 marks) : FOUR (4) problem solving questions. Answer any THREE (3) questions in the Answer Booklet(s) provided.**
- Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.**
- 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.**
- 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 = 6 (Including the cover page)

PART B : TRUE OR FALSE QUESTIONS (20 MARKS)

INSTRUCTION(S) : Answer ALL questions in the Answer Booklet(s) provided.

| No. | |
|-----|--|
| 1. | Repair and maintenance of motor vehicle, depreciation and rental are examples of business expenses. |
| 2. | Inventory account is a current liability of a company. |
| 3. | Internal users of the accounting information include suppliers and customers. |
| 4. | Audited financial statements provide assurance to the users of the information that the statements present a true and fair view of the financial performance of the company. |
| 5. | Current assets are assets that are likely to change in the long term and certainly after twelve month of the balance sheet date. |
| 6. | Bookkeeping is the clerical part of the accounting process. |
| 7. | When customers returned an item, it will record directly in the purchase account. |
| 8. | The primary function of accounting is to provide information to the external users. |
| 9. | Internal users of accounting information include employees and managers. |
| 10. | According to money cost concept, the efficiency of the top management of the business must be clearly recorded in the books of accounts. |
| 11. | Managerial accounting provides information to the supplier. |
| 12. | Liability accounts normally have a credit balance. |
| 13. | Regardless of when payment is made or when services are sold the revenue should be recorded at the time of the sale. |
| 14. | In accountancy, all business transactions are recorded as having dual aspect. |
| 15. | Net income is the result of the income statement reporting revenues that are larger than operating expenses. |
| 16. | The separate entity concept considers the business and the proprietor as the same entity. |
| 17. | Revenue are the economic resources that are expected to produce future benefits. |
| 18. | Accounting Principle act as a rule in the preparation of income statement and balance sheet. |
| 19. | Net profit is determined by subtracting gross profit and operating expenses of the business. |
| 20. | It is on the basis of accrual concept that the assets are always valued at cost. |

[Total: 20 Marks]

END OF PART B

PART C : PROBLEM SOLVING QUESTIONS (60 MARKS)

INSTRUCTION(S) : FOUR (4) problem solving questions. Answer any THREE (3) questions in the Answer Booklet(s) provided.

QUESTION 1

The Neslayla company discloses the following information for the month of January 2018:-

| <u>Date</u> | <u>Bought</u> |
|-------------|-----------------------------------|
| 2-Jan | Beginning stock 465 units @\$1.50 |
| 12- Jan | 2,625 units @\$1.30 |
| 21- Jan | 1,140 units @\$1.20 |

| <u>Date</u> | <u>Sold</u> |
|-------------|---------------------|
| 11- Jan | 180 units @\$4.90 |
| 16- Jan | 1,050 units @\$4.40 |
| 26- Jan | 825 units @\$4.60 |

Required

Calculate the cost of the ending inventory and the cost of goods sold using the following methods:-

- a) First In, First Out (FIFO)
- b) Last In, First Out (LIFO)
- c) Weighted Average Cost

[Total 20 marks]

QUESTION 2

The following ledger balances appeared in the books of Norita Enterprise for January 2018:-

| | Dr (\$) | Cr (\$) |
|--|---------|---------|
| Sales Ledger balances at 1 January | 2,289 | |
| Purchases Ledger balances at 1 January | | 2,334 |

The following information was also available:-

| | \$ |
|---|------|
| Interest on Debt | 180 |
| Discount allowed | 180 |
| Credit purchases | 2961 |
| Bad debts | 183 |
| Return Inwards | 399 |
| Credit sales | 3807 |
| Cash refund to the customers for overpayment | 18 |
| Return Outwards | 219 |
| Receipts from credit customers | 4254 |
| Payment to credit suppliers | 2172 |
| Discount Received | 57 |
| Transfer of balance from Sales Ledger to Purchases Ledger | 198 |

Required

In the books of Norita Enterprise for January 2018, prepare:-

- Purchases Ledger Control Account. (8 marks)
- Sales Ledger Control Account. (11 marks)
- State **ONE (1)** advantage of preparing Control Accounts. (1 mark)

[Total 20 marks]

QUESTION 3

- a. A furniture having a useful life of 10 years was purchased on 1 January 2018. The cost incurred was \$17,500. Calculate depreciation expense for the years ending 2018, 2019, 2020, 2021 and 2022 and show the net book value of the asset for each year using the straight line method.

(10 Marks)

- b. A lorry which cost \$ 56,750 was bought on credit from Vehicle Slayer Sdn Bhd on 1 January 2017. Calculate depreciation expense for the years ending 2017, 2018, 2019, 2020 and 2021 and show the net book value of the asset for each year using the reducing balance method at 20% depreciation rate.

(10 Marks)

[Total: 20 Marks]

QUESTION 4

The following list of balances has been extracted from business ledger as at 31 January 20x8.

| | Debit (\$) | Credit (\$) |
|------------------------------|----------------|----------------|
| Purchases | 138,195 | |
| Sales | | 286,302 |
| Stock 1 February 20X7 | 17,865 | |
| Capital 1 February 20X7 | | 56,700 |
| Bank overdraft | | 5,603 |
| Cash | 315 | |
| Discounts Allowed | 5,580 | |
| Discount Received | | 139 |
| Returns inwards | 7,843 | |
| Returns outwards | | 3,051 |
| Carriage outwards | 7,222 | |
| Rent and insurance | 19,958 | |
| Provision for doubtful debts | | 1,418 |
| Fixtures and fittings | 4,275 | |
| Van | 12,600 | |
| Debtors | 27,941 | |
| creditors | | 25,650 |
| Drawings | 48,150 | |
| Wages and salaries | 88,200 | |
| General office expenses | 719 | |
| | 378,863 | 378,863 |

The following additional information as at 31 January 20x8 is available:

- (a) Stock 31 January 20X8 \$15,311.
- (b) Wages and salaries accrued at 31 January 20X8 \$7,875; Office expenses owing \$36.
- (c) Rent prepaid 31 January 20X8 \$1,350.
- (d) Increase the provision for doubtful debts by \$248 to \$1,665.
- (e) Provide for depreciation as follows: Fixtures and fittings \$428; Van \$3,150.

Required

Prepare the following:-

- a) A Statement of Comprehensive Income for the year ended 31 January 20X8 (11 Marks)
- b) A Statement of Financial Position as at 31 January 20X8. (9 Marks)

[Total 20 marks]

END OF QUESTION PAPER