



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **ACC1124 ACCOUNTING 2**
Semester & Year : JANUARY –APRIL 2021
Lecturer/Examiner : NUR AFIQAH/JAMES LIOW
Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
PART A (25 marks) : Answer ALL TWENTY FIVE (25) multiple choice questions. Answers are to be written in the Answer Booklet provided.
PART B (75 marks) : Answer THREE (3) out of FOUR (4) short answer questions. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorised materials except writing equipment 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 = 12 (Including the cover page)

PART B : SHORT ANSWER QUESTIONS (75 MARKS)

INSTRUCTION (S) : There are **FOUR (4)** questions in this section. Answer only **(THREE) 3** questions.
Write your answers in the Answer Booklet(s) provided.

QUESTION 1

Platinum Bhd has the following information in respect of its first year of operation in 2020. The financial year ends on 31 December.

Platinum Bhd
Statement of Comprehensive Income for the year ended 31 December 2020

	RM	RM
Sales		6,500
Less Cost of goods sold		(3,000)
		3,500
Less: Expenses		
Wages	2,000	
Other costs	600	
Depreciation	500	
Interest	100	(3,200)
Profit for the year		300
Dividend		(50)
Retained Profit		250

Platinum Bhd
Statement of Financial Position as at 31 December

	2020		2019	
	RM	RM	RM	RM
Property, plant and equipment		4,500		3,800
Less Accumulated depreciation		2,300		1,800
		2,200		2,000
Current assets				
Stock	400		500	
Accounts receivable	150		200	
Cash	200	750	100	800
Current liabilities				
Accounts payable	325		300	
Accrued wages	25	(350)	50	(350)
		2,600		2,450

Financed by:				
Debentures	900		1,000	
Ordinary share capital	1,000		1,000	
Retained profits	700		450	
		2,600		2,450

Required:

- a) From the information given, prepare a statement of cash flows using indirect method. (20 marks)
- b) Describe **THREE (3)** factors that support the need for businesses to prepare statement of cash flows. (5 marks)
- [Total 25 marks]**

QUESTION 2

S Chan and P Tong are in partnership sharing profits and losses in the ratio 2:1 respectively. The following trial balance was extracted from S Chan and P Tong's accounts at 30 September 2019:

S Chan & P Tong		
Trial Balance as at 30 September 2019		
	RM	RM
Current account:		
- S Chan		2,100
- P Tong		900
Capital:		
- S Chan		72,600
- P Tong		90,900
Drawings:		
- S Chan	10,950	
- P Tong	13,250	
Accounts receivable	18,120	
Accounts payable		24,866
Fixed deposit at Hong Bank Bhd	53,400	
Bank account, overdrawn		1,260
Cash in hand	114	
Fixed deposit interest income received		1,221
Discount allowed	1,980	
Discount received		1,680
Wages	12,615	
Premises, at cost	73,500	
Fixtures and Fittings, at net book value	11,280	

Stock at 30 September 2019	47,085	
Gross Profit		59,610
Carriage outwards	2,880	
Sundry expenses	8,886	
Rent and rates	1,077	
	255,137	255,137

The following information was also available at 30 September 2019:

- (i) Interest at 6% per annum is allowed on capital.
- (ii) Interest at 4% per annum is charged on total drawings for the year.
- (iii) A transfer was made from the partners' current accounts to the respective capital accounts: S Chan RM5,000 and P Tong RM13,000.
- (iv) P Tong is entitled to a salary of RM24,000 per annum.
- (v) Prepayments of wages were RM247.00 and accruals of rent and rates were RM300.00.

Required

Prepare for S Chan and P Tong, in respect of the year ended 30 September 2019:

- a) The Profit or Loss and Appropriation Account. (10 marks)
- b) The partners' capital accounts, in columnar format. Dates are not required. (8 marks)
- c) The partners' current accounts, in columnar format. Dates are not required. (2 marks)
- d) Explain **THREE** (3) characteristics of partnership. (5 marks)

[Total 25 marks]

QUESTION 3

On 31 December 2020, the statement of financial position of the partnership was as follows:

Goh, Adam and Molly		
Statement of Financial Position as at 31 December 2020		
	RM	RM
Non-current assets		
Furniture and fittings, net book value	239,350	
Motor vehicles, net book value	141,000	
Office equipment, net book value	145,990	526,340
Goodwill		106,000
		632,340

Current assets		
Inventory	253,000	
Accounts receivable	233,500	
Prepaid insurance	3,510	
Bank	64,210	554,220
		1,186,560
Current liabilities		
Accounts payable	210,360	
Accrued rent	23,100	
Accrued utilities	5,320	238,780
Financed by:		
Capital accounts:		
- Goh	261,700	
- Adam	378,000	
- Molly	211,980	851,680
Current accounts:		
- Goh	21,400	
- Adam	41,220	
- Molly	33,480	96,100
		1,186,560

Goh, Adam and Molly were partners, sharing profits and losses in the following ratio:

Goh	35%
Adam	40%
Molly	25%

Additional information:

Due to disagreement, Adam decided to retire on 31 December 2020 on the following terms:

(i) Revaluation of assets on 31 December 2020:

	RM
Goodwill	232,000
Furniture and fittings	353,000
Motor vehicles	53,200
Office equipment	264,200
Inventory	113,000

(ii) Goodwill accounts are to be maintained in the book after the revaluation.

(iii) A motor vehicle valued at RM24,500 was to be taken over by Adam.

- (iv) Adam was to be repaid 30% of the total balance of capital accounts due to him and the remaining portion would be treated as a loan to the partnership.
- (v) Goh and Molly agreed to each contribute additional capital of RM 95,000. The new profit and loss sharing ratio would be as follows:
- | | |
|-------|-----|
| Goh | 60% |
| Molly | 40% |

Required:

- a) Prepare the following accounts to reflect the above situation:
- (i) Revaluation account. Dates are not required. (6 marks)
 - (ii) Partners' capital accounts in columnar form. Dates are not required. (8 marks)
- b) Prepare the adjusted Statement of Financial Position as at 31 December 2020. (11 marks)
- [Total 25 marks]**

QUESTION 4

The following is the financial statements of H & H Bhd:

Statement of Comprehensive Income for the year ended 30 September		
	2020 (RM)	2019 (RM)
Revenue	20,148	18,192
Cost of sales	(11,283)	(10,551)
Gross profit	8,865	7,641
Administrative expense	(2,417)	(1,515)
Selling and distribution expense	(1,450)	(909)
Finance cost	(967)	(606)
Profit before tax	4,031	4,611
Taxation	(1,007)	(1,152)
Profit after tax	3,024	3,459

Statement of Financial Position as at 30 September		
	2020 (RM)	2019 (RM)
Non-current Assets		
Property, plant and equipment	50,702	42,006
Intangible assets	21,730	18,003
	72,432	60,009
Current assets		
Trade receivables	5,100	2,580
Stock	4,140	13,884
	9,240	16,464
	81,672	76,473

Equity		
Share Capital	16,500	11,000
Retained profit	24,330	25,480
	40,830	36,480
Non-current liabilities		
Loan	10,032	8,778
Debenture	15,048	16,302
	25,080	25,080
Current liabilities		
Trade payables	2,103	2,313
Other current liabilities	13,659	12,600
	15,762	14,913
	81,672	76,473

Required:

a) Calculate the following ratios to **TWO (2)** decimal places of H&H Bhd for the year 2019 and 2020:

- (i) Gross profit margin
- (ii) Net profit (after tax) margin
- (iii) Return on capital employed (profit before interest)
- (iv) Current ratio
- (v) Account receivable collection period (days)
- (vi) Stock turnover period (days)

(20 marks)

b) State **Two (2)** interested parties who might use ratio analysis and explain how they would use the information.

(5 marks)

[Total 25 marks]

END OF QUESTION PAPER