



## BERJAYA BUSINESS SCHOOL

### FINAL EXAMINATION

Student ID (in Figures) :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Student ID (in Words) :

---

---

Subject Code & Name : **DGN1306 ACCOUNTING**  
Trimester & Year : May - August 2017  
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 of Hospitality 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 of Hospitality.

**Total Number of pages = 9 (Including the cover page)**

**PART B : TRUE OR FALSE QUESTIONS (20 MARKS)****INSTRUCTION(S) : Answer ALL questions in the Answer Booklet(s) provided.****Question 1**

No.		True	False
1.	The only users of financial information are the owners of a business.		
2.	Profit is the amount that a business's expenses exceed revenues.		
3.	A debit is an entry made to the right side of an account and always increases an account balance.		
4.	Asset accounts normally have a credit balance.		
5.	Owner's withdrawals are not used to calculate the profit or loss for a business.		
6.	Expenses accounts normally have a debit balance.		
7.	Plant Machinery is a type of asset.		
8.	Expenditures made for advertising are recorded in revenue account.		
9.	Individuals or other businesses owes money have rights to the business's assets.		
10.	Capital account is a liability.		
11.	A transaction for the sale of goods or services results in an increase in owner's equity.		
12.	Regardless of when payment is made or when services are sold the revenue should be recorded at the time of the sale.		
13.	Asset accounts increase on the credit side.		
14.	When cash is paid for supplies the supplies account is increased by a debit.		
15.	The balance of a drawings account represents the total value of assets taken out of a business by the owner.		
16.	Increases in expense accounts are recorded directly in the owners capital account.		
17.	A receipt is the source document for cash received or cash payment.		
18.	All account balances are written in the trial balance credit column.		
19.	A net loss results when total revenue is greater than total expenses.		
20.	Current assets are assets that are likely to change in the short term and certainly within twelve months of the balance sheet date.		

(20 Marks)

**[Total: 20 Marks]****END OF PART B**

**PART C : Problem Solving Questions (60 MARKS)**

**INSTRUCTION(S) : FOUR (4) sub-question type. Answer any THREE (3) questions in the Answer Booklet(s) provided.**

---

**QUESTION 1**

The Sofea Anita company discloses the following information for the month of July 2017:-

<u>Date</u>	<u>Bought</u>
2-Jul	Beginning stock 250 units @\$2.50
12-Jul	1,100 units @\$2.30
21-Jul	600 units @\$2.20

<u>Date</u>	<u>Sold</u>
11-Jul	150 units @\$4.80
16-Jul	1,000 units @\$4.30
28-Jul	500 units @\$4.50

**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 Faheezy for July 2017:-

	<b>Dr (\$)</b>	<b>Cr (\$)</b>
Sales Ledger balances at 1 July	763	
Purchases Ledger balances at 1 July		778

The following information was also available:-

	<b>\$</b>
Credit purchases	987
Credit sales	1,269
Receipts from credit customers	1,418
Payment to credit suppliers	724
Bad debts	61
Bad Debts Recovered	6
Return Inwards	133
Return Outwards	73

Discount allowed	60
Discount Received	19
Interest on Debt	60
Transfer of balance from Sales Ledger to Purchases Ledger	66

**Required**

In the books of Faheezy for July 2017, prepare:-

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

**[Total 20 marks]**

**Question 3**

- a. A fixed asset having a useful life of 5 years is purchased on 1 January 2015. Cost of the asset is \$100,000 whereas its residual value is expected to be \$10,000. Calculate depreciation expense for the years ending 2015, 2016, 2017, 2018 and 2019 and show the net book value of the asset for each year using the straight line method. (10 Marks)
- b. A motor vehicle which cost \$ 12,000 was bought on credit from Milenia Trucks Sdn Bhd on 1 January 2015. Calculate depreciation expense for the years ending 2015, 2016, 2017, 2018 and 2019 and show the net book value of the asset for each year using the reducing balance method at 25% depreciation rate. (10 Marks)

**[Total: 20 Marks]**

#### Question 4

The following list of balances has been extracted from business ledger as at 31 March 20x9.

	Debit (\$)	Credit (\$)
Purchases	61,420	
Sales		127,245
Stock 1 April 20X8	7,940	
Capital 1 April 20X8		25,200
Bank overdraft		2,490
Cash	140	
Discounts Allowed	2,480	
Discount Received		62
Returns inwards	3,486	
Returns outwards		1,356
Carriage outwards	3,210	
Rent and insurance	8,870	
Provision for doubtful debts		630
Fixtures and fittings	1,900	
Van	5,600	
Debtors	12,418	
Creditors		11,400
Drawings	21,400	
Wages and salaries	39,200	
General office expenses	319	
	<b>168,383</b>	<b>168,383</b>

The following additional information as at 31 March 20x9 is available:

- Stock as at 1 March 20X9 \$ 6,805.
- Wages and salaries accrued at 31 March 20X9 \$ 3,500 and Office expenses owing \$ 16.
- Rent prepaid at 31 March 20X9 \$ 600.
- Increase the provision for doubtful debts by \$ 110 to \$ 740.
- Provide for depreciation as follows: Fixtures and fittings \$ 190; Van \$ 1,400.

#### **Required**

Prepare the following:-

- A Statement of Comprehensive Income for the year ended 31 March 20x9. (11 Marks)
- A Statement of Financial Position as at 31 March 20x9. (9 Marks)

**[Total 20 marks]**

**END OF QUESTION PAPER**