



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **BGN1306 ACCOUNTING**
 Trimester & Year : MAY-AUGUST 2019
 Lecturer/Examiner : Nur Afiqah
 Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
 - PART A (20 marks) : Answer ONE (1) compulsory question. Answers are to be written in the Answer Booklet provided.
 - PART B (80 marks) : Answer FOUR (4) out of FIVE (5) 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 = 8 (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.

QUESTION 1

Jammy is a sole trader of a sundry shop called Jammy's Sundry Store. The following is the shop's trial balance as at 31 December 2018.

Jammy's Sundry Store
Trial Balance As At 31 December 2018

	Debit (RM)	Credit (RM)
Capital		156,470
Account receivables	80,000	
Account payables		56,000
Land and building at net book value	124,000	
Stock as at 1 January 2018	15,400	
Loan from Bank		95,000
Purchases	57,500	
Sales		89,000
Carriage inwards	1,020	
Carriage outwards	1,100	
Salaries expenses	10,000	
Cash at bank	11,200	
Discounts	200	250
Van at net book value	90,000	
Insurance	500	
Utilities	1,000	
Rent received		4,000
Allowance for doubtful debts		1,300
Bad debts	600	
Interest on loan	9,500	
Total	402,020	402,020

The following adjustments need to be considered:

- i. Stock as at 31 December 2018 was valued RM 11,200.
- ii. Bad debts to be written off were RM 270.
- iii. The outstanding amounts that have not entered in the books were: salaries RM 5,000, utilities RM 700.
- iv. Depreciation is to be provided for as follows:
 - a) Land and building- RM 1,240
 - b) Van- RM 9,000
- v. Allowance for doubtful debt is to be increased by RM 575.

Required:

- a. Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2018 (10 marks)
 - b. Statement of Financial Position as at 31 December 2018 (10 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

- a. List **THREE (3)** importance of cashbook. (3 marks)
- b. Enter the following transactions in the three-column cash book of Zach Enterprise.

- 1 July Balances brought forward: Cash RM 230; Bank RM 4,560.
- 2 July Cash sales RM 450.
- 3 July The following receivables paid their accounts by cheque each deducting a 3% cash discount: Jasmine RM 460, Benny RM 620 and Rose RM 540.
- 4 July Paid insurance by cheque RM 700.
- 5 July Paid wages by cheque RM1,300.
- 6 July Zach Enterprise paid the following accounts by cheque, in each case deducting a 5% cash discount: Jack RM 300, D Huda RM 400, Bade RM 600.
- 7 July Transferred RM 500 cash to the bank account.
- 8 July Bought stationery RM 100, paying cash.

(17 marks)

[Total: 20 marks]

QUESTION 2

- a. Identify the correct accounting concept for the situation stated below.
- i. Zach Trading records the amount of its machinery at the original cost even though the current book value has reduced.
 - ii. Naimah has made allowance for doubtful debts on the amounts she anticipated uncollectible from receivables.
 - iii. Chong set up a business assuming that the business continues runs the business.
 - iv. Muthu separate the business assets from personal assets.

v. Revenues are reported when revenues are earned rather than cash is received.

(5 marks)

b. Classify each of the following items as a capital expenditure or revenue expenditure.

- i. supervisor salary
- ii. installation cost of machinery
- iii. depreciation of motor van
- iv. repairs to motor van
- v. Cost of renovation to building

(5 marks)

c. Below are the transactions for Goh Trading:

- Sept 1 Started business with RM20, 000 in cash.
- Sept 2 Transferred RM15, 000 into the business bank account.
- Sept 4 Purchased a computer for RM4, 000 paying by cheque.
- Sept 6 Purchased machinery from Jenny Ltd on credit for RM1, 200.
- Sept 12 Issued cheque to Jenny Ltd to settle account.
- Sep 14 Bring her own van into the business amounting RM 14,500.
- Sep 20 Purchase goods RM 5,000 on credit from Salleh.
- Sep 22 Return some of damages goods amounting RM 2,000 to Salleh.
- Sep 28 The owner took RM 2,000 cash for personal use.
- Sep 30 Cash sales to John RM 3,000.

Required:

Prepare the double entries for the above transactions.

(10 marks)

[Total: 20 marks]

Question 3

Wawa Trading closed its accounts on 31 December every year and provides for depreciation of their tangible assets as follows:

Van at 20% straight line method (purchased on 1 April 2017)

Equipment at 10% straight line method (purchased on 1 April 2017)

Furniture and fittings at 10% reducing balance method (purchased on 1 May 2017)

The information of assets by Dee Trading is as follows:

	Van	Equipment	Furniture and fittings
	RM	RM	RM
Cash price	130,000	95,000	15,000
Insurance in transit	-	1,000	200
Initial training	-	4,000	-
Repair and maintenance	1,200	-	-

All payments were made by cheques.

Required:

- i. Prepare the Van account, Equipment account and Furniture and Fittings account for 2017 and 2018. (5 marks)
- ii. Prepare the depreciation account and Accumulated Depreciation accounts for the above assets for year of 2017 and 2018. (The company is following month to month basis) (12 marks)
- iii. List **THREE (3)** causes of depreciation. (3 marks)

[Total: 20 marks]

QUESTION 4

During February, the following transactions took place for Zaff Enterprise:

1	February	Purchased	100 units at RM 1.00
2	February	Purchased	200 units at RM 1.10
5	February	Issued	120 units
10	February	Purchased	200 units at RM 1.20
11	February	Issued	150 units
16	February	Purchased	200 units at RM 1.25
26	February	Purchased	300 units at RM 1.30
29	February	Issued	250 units

Required:

Calculate the cost of materials used and the value of the closing stock using each of the following methods:

- i. First in first out (7 marks)
- ii. Last in first out (7 marks)
- iii. Weighted average (6 marks)

[Total: 20 marks]

QUESTION 5

The following are the financial statement (extract) for Gold Enterprise:

Statement of Comprehensive Income (Extract) for the year ended 30 June 2018

	RM	RM
Sales		275,000
(-) COST OF GOODS SOLD		
Opening Inventory	30,000	
(+) Purchases	143,200	
(-) Closing Inventory	<u>(28,700)</u>	<u>144,500</u>
Gross Profit		130,500
(+) Revenues		
Interest Received	13,999	
Commission Received	<u>8,000</u>	<u>21,999</u>
(-) Expenses		152,499
Administrative Expenses	32,120	
Selling Expenses	23,590	
Financial Expenses	<u>25,444</u>	<u>(81,154)</u>
Net Profit		<u><u>71,345</u></u>

Statement of Financial Position (Extract) as at 31 July 2018

<u>Non-Current assets</u>	RM	RM
Motor Vehicles	35,000	
Furniture	<u>10,000</u>	
<u>Current Assets</u>		
Cash	5,439	
Bank	3,000	
Closing Inventory	28,700	
Account Receivables	<u>59,425</u>	141,564
<u>Current Liabilities</u>		
Account Payable	59,101	

Required:

Compute and comment on each of the following ratios for Gold Company:

- Current Asset Ratio (4 marks)
- Acid test ratio (4 marks)
- Inventory Turnover Ratio (no of times) (4 marks)
- Account Receivables Collection Period (4 marks)
- Net Profit Margin (4 marks)

[Total: 20 marks]

END OF PART B

END OF QUESTION PAPER