



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **ACC1014 ESSENTIALS OF ACCOUNTING**
Semester & Year : MAY – AUGUST 2020
Lecturer/Examiner : JAMES LIOW
Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
PART A (30 marks) : THIRTY (30) Multiple-choice questions. Answers are to be written in the Answer Booklet provided.
PART B (70 marks) : FOUR (4) problem solving questions. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorized 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 = 10 (Including the cover page)

PART B : PROBLEM SOLVING QUESTIONS (70 MARKS)
INSTRUCTION(S) : There are **FOUR (4)** problem solving questions. Answer **ALL** questions in the Answer Booklet(s) provided.

QUESTION 1

The following list of balances has been extracted from Fast Track Trading ledger as at 30 June 2020:

Trial Balance as at 30 June 2020		
	Debit	Credit
	\$	\$
Equipment Rental	940	
Insurance	1,804	
Lighting & Heating expenses	1,990	
Motor Expenses	2,350	
Salaries & Wages	48,580	
Sales		382,420
Purchases	225,950	
Stock, 1 July 2019	20,000	
Sundry Expenses	624	
Motor vehicle	19,400	
Accounts payable		23,408
Accounts receivable	44,516	
Fixtures & fittings	4,600	
Building	174,000	
Cash a Bank	11,346	
Drawings	44,000	
Capital		194,272
	600,100	600,100

Stock at 30 June 2020 was \$29,304.

Required

Prepare the following:

- a) A Statement of Comprehensive Income for the year ended 30 June 2020. (9 Marks)
- b) A Statement of Financial Position as at 30 June 2020. (8 Marks)
- c) Name any **THREE (3)** examples of capital expenditures. (3 marks)

[Total 20 marks]

QUESTION 2

Prepare journal entry for each of the following transactions:

Date	Transactions
March	
1	Started in business with \$8,000 in the bank.
2	Bought goods on credit from Ashyley \$700
5	Cash sales \$510.
6	Paid wages in cash \$110.
7	Sold goods on credit to Jayaraman \$295
9	Bought goods for cash \$120.
15	Bought shop fixtures on credit from GoStop Ltd \$740.
17	Paid Ashyley by cheque \$700.
21	Paid GoStop Ltd a cheque for \$740.
31	Bought a van paying by cheque \$6,250.

Note: Narratives are not required.

[Total 20 marks]

QUESTION 3

Match the following accounting principles and assumptions with the statement below:

Cost principle	Going concern
Full disclosure	Time period
Dual aspect	Separate entity
Revenue recognition	Money measurement
Matching principle	Substance over form

- (i) The owner's personal expenses are not recorded in the business expenses.
- (ii) The enterprise paid \$50,000 cash for the purchase of a combi oven and it is recorded in the book at cost.
- (iii) The financial statements of ABX Ltd at the US plant are measured in US Dollars.
- (iv) The financial statements report the accounting information at regular intervals.
- (v) There are two sides to accounting, one represented by the assets and the other represented by the liabilities and capital.
- (vi) Revenue must be recorded in the accounting period in which it is earned.
- (vii) Assume the business will continue to operate for the foreseeable future.
- (viii) The financial statements for year ended 2020 disclosed the depreciation policy.
- (ix) Business is not only to measure revenues in a particular accounting period but also has to calculate expenses which can be assigned in earning such revenues.
- (x) An asset may be leased to a lessee without the transfer of legal title at the end of the lease term.

[Total 10 marks]

QUESTION 4

Ahmad Trading began operations on 1 January 2020. It uses a perpetual inventory system. During the year of 2020, the company had the following purchases and sales:

Bought		Sold	
March	100 at \$16 each	December	130 at \$24 each
September	220 at \$19 each		

From the following figures above calculate the closing stock in trade that would be shown using:

- a) First In and First Out (7 Marks)
- b) Last In and First Out (7 Marks)
- c) Average Cost Method (6 Marks)

[Total 20 Marks]

END OF QUESTION PAPER