



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) :

Course Code & Name : **ACC1613 FINANCIAL ACCOUNTING 1**
Semester & Year : MAY- AUGUST 2020
Lecturer/Examiner : NUR AFIQAH
Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

- 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.
- Candidates are not allowed to bring any unauthorised 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 = 9 (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

Areeb, a sole trader started his business, A Sport on 1 February 2018. The following is the trial balance of the business as at 31 January 2020.

Trial Balance as at 31 January 2020

	Debit	Credit
	RM	RM
Sales		270,000
Purchases	210,000	
Return inwards and return outwards	4,000	1,341
Carriage outwards	5,000	
Rent expenses	17,100	
Motor vehicle expenses	3,100	
Office expenses	6,100	
Utilities	3,000	
Salary	17,200	
Motor vehicle	24,300	
Furniture	2,000	
Accumulated depreciation:		
-Motor vehicle		4,860
-Furniture		300
Cash	6,000	
Bank	28,853	
Account receivable	30,132	
Capital		58,561
10% loan from CIMB Bank (repayable in 10 years)		50,000
Account payable		27,893
Stock as at 1 February 2019	53,200	
Commission paid & commission received	3,000	6,200
Discount allowed & discount received	3,400	4,100
Interest on loan	2,000	
Drawings	6,000	
Allowance for doubtful debt		2,330
Bad debt	1,200	
Total	425,585	425,585

The following information need to be taken into consideration:

- i. It is the company's policy to depreciate its non- current assets on straight line method. The rate as follows:
 - a. Motor vehicle -20%
 - b. Furniture - 15%
- ii. Stock as at 31 January 2020 was RM 41,400.
- iii. The following were the accruals and prepayments for the period:
- iv. Accrued salary RM 500
- v. Accrued interest on loan RM 3,000
- vi. Prepaid rent RM 250
- vii. Include in carriage outwards in carriage inwards amounting RM 2,000.
- viii. One of the account receivables owing an amount of RM 650 has passed away and the amount has to be written off as bad debts.
- ix. Allowance for doubtful debt is estimated as 5% of the net receivables.

Required:

- a. Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 January 2020. (10 marks)
 - b. Statement of Financial Position as at 31 January 2020. (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

Green Enterprise has prepared the cash book for the month of January 2020 as shown:

Cash Book

2020		RM	2020		RM
1.1.20	Balance b/d	83,060	8.1.20	Bright Trading (Chq No. 131250)	24,000
8.1.20	J Enterprise(BSN250255)	30,640	8.1.20	Electricity (Chq No. 131251)	12,421
18.1.20	Sham Enterprise(BMB756321)	854	15.1.20	Tenaga (Chq No. 131252)	15,601
31.1.20	Jom Tour Enterprise	20,000	16.1.20	Lim Hardware (BMB 246102)	30,400
			28.1.20	Salary (Chq No. 131253)	40,180
			31.1.20	Balance c/d	11,952
		134,554			134,554

On 2 February 2010, Green Enterprise received a bank statement for the month of January 2020. The bank statement showing the following details.

Bank Statement as at 1 January 2020

Date	Particulars	Cheque No	Dr.	Cr	Balance	
01-Jan	Balance				83,060	cr
03-Jan	Credit transfer			5,501	88,561	cr
08-Mar	Cheque	131,251	12,421		76,140	cr
08-Mar	Deposit	BSN250255		30,640	106,780	cr
18-Mar	Deposit	BMB 756321		854	107,634	cr
19-Mar	Cheque returned BMB 756321		854		106,780	cr
19-Mar	Deposit	BMB246102		30,400	137,180	cr
30-Mar	Cheque	131,253	40,180		97,000	cr
31-Mar	Bank charges		30		96,970	cr
31-Mar	Dividend			106	97,076	cr
31-Mar	Credit transfer			3,000	100,076	cr

Note:

A cheque received from Lim Hardware amounted to RM 30,400 was mistakenly recorded by the clerk as a payment of RM30,400.

Required:

- Prepare an adjusted Cashbook. (6 marks)
- Prepare the bank reconciliation statement as at 1 January 2020. (8 marks)
- Discuss **TWO (2)** importance of bank reconciliation. (6 marks)

(Total: 20 marks)

QUESTION 2

The following information regarding the non-current assets were extracted from the books of Ash Enterprise.

The above assets were purchased as follows:

Date of purchase	asset	Purchase price (RM)
1 April 2018	Computer-Apple	5,000
1 April 2018	Lorry	65,000
1 July 2018	Van	34,000
10 October 2018	Photocopy machine	6,000

During the year ended 31 March 2020 the following assets were purchased:

Date of purchase	asset	Purchase price (RM)
10 May 2019	Computer-Apple	10,000
28 June 2019	Shredding machine	1,400
31 March 2019	Car	52,000

Additional information:

- i. All payments were made by cheque.
- ii. Depreciation to be provided as follows:
 - a. Office equipment : 15% straight line method (month to month basis)
 - b. Motor vehicle : 20% reducing balance method (month to month basis)

Required:

- a. Prepare office equipment and motor vehicle account for the year ended 31 March 2019 and 31 March 2020.

(4 marks)
- b. Prepare depreciation, accumulated depreciation for both assets for the year ended 31 March 2019 and 2020.

(12 marks)
- c. Explain **TWO (2)** characteristics of capital expenditure.

(4 marks)

(Total: 20 marks)

QUESTION 3

Mr. Abraham set up a business under the name of Abraham Enterprise on 1 June 2020. The following transactions occurred during the month of June 2020:

1.6.20	The debit balance in the cash and bank accounts amounted to RM 1,000 and RM 20,000 respectively.
2.6.20	The owner invested additional RM 30,000 cash into the business.
3.6.20	Transfer cash of RM 29,000 into the bank account.
5.6.20	Purchased goods worth RM 3,000 by cheque.
8.6.20	Paid Zaiton Furniture RM 8,000 by cheque for purchased of office furniture.
10.6.20	The owner took RM 300 cash for his own use.
15.6.20	Paid rental of the shop by cheque by 3,200.
20.6.20	Paid RM 7,000 to Faiq by cheque after deducting RM 100 of cash discount.
22.6.20	Received a cheque from Zaki as payment of his account amounting RM 9,500 after deducting RM 500 cash discount.
24.6.20	Cash sales RM 2,000.
25.6.20	Paid cash RM 120 for stationeries.
28.6.20	Received RM 1,200 cheque from Amin Enterprise after deducting RM 20 cash discount.
30.6.20	Transfer RM 300 from bank to cash account for business purposes.

Required:

- a. Prepare the three-column cashbook based on the above transactions.
- b. Discuss the uses of **FIVE (5)** special journals in original book of entry.

(12 marks)

(8 marks)

(Total: 20 marks)

QUESTION 4

Muthu Fresh Fruits just started business selling fruits in Perlis. Below are the following inventory movements for the month of April 2020.

	Balance	Purchases	Sales
1 April 2020	120 kg @ RM 55		
5 April 2020		400 kg @ RM 60	
8 April 2020			450 kg @ RM 80
9 April 2020		150 kg @ RM 65	
15 April 2020			150 kg @ RM 82
20 April 2020		200 kg @ RM 68	
22 April 2020		50 kg @ RM 70	
25 April 2020			120 kg @ RM 85

Required:

- a. Calculate the closing inventory amount based on the following inventory methods:
 - i. First in first out
 - ii. Last in first out
 - iii. Average

(14 marks)

- b. Calculate the gross profit for each method.

(6 marks)

(Total: 20 marks)

Question 5

Zach Enterprise operates a business selling furniture. Its financial year ended 31 July 2020 showed the followings.

Zach Enterprise
Statement of Comprehensive Income for the Year Ended 31 July 2020

	RM	RM
Sales		120,000
Opening inventory	13,000	
Purchases	60,000	
Closing inventory	(11,000)	
cost of goods sold		(62,000)
Gross profit		58,000
Less: Expenses		
General expenses	32,000	
Administration expenses	11,321	
Distribution costs	8,600	(51,921)
Net profit		6,079

Zach Enterprise
Statement of Financial Position (extract) as at 31 July 2020

	cost	accumulated depreciation	Net Book Value
	RM	RM	RM
Non-current assets	69,000	13,800	55,200
Current assets			
Inventory		11,000	
Account receivables		31,000	
Bank		8,100	
Cash		3,200	53,300
			108,500
Owner's equity			
Capital		32,322	
Net profit		6,079	
Less: drawings		2,100	36,301
Non-current liabilities			
Loan from Maybank			50,000
Current liabilities			
Account payables		19,000	
Accruals		3,199	22,199
			108,500

Financial ratios for the financial year ending 31 July 2019 are as follows:

Net profit margin	3%
Acid test ratio	2.1
Average Inventory Turnover (no of times)	3 times
Account Receivables Collection Period	150 days
Debt ratio	49%

Required:

Based on the information given above, calculate and analyse the following:

- i. Net profit margin (4 marks)
- ii. Acid test ratio (4 marks)
- iii. Average inventory turnover (no of times) (4 marks)
- iv. Receivables collection period (4 marks)
- v. Debt ratio (4 marks)

(Total: 20 marks)

END OF PART B

END OF QUESTION PAPER