



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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

Student ID (in Words) : _____

Course Code & Name : **ACC1513 ACCOUNTING**
Semester & Year : SEPTEMBER – DECEMBER 2023
Lecturer/Examiner : JAMES LIOW
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.

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

Anika Trading is a sole trader operating a small family business and the trial balance as at 31 December 2023 is presented below:

	RM	RM
Purchases	120,000	
Revenue		231,500
Return inwards	3,600	
Inventory 1 January 2023	11,100	
Capital		111,900
Drawings	12,500	
Bank	34,100	
Office equipment	52,000	
Motor vehicle	98,000	
Accumulated depreciation:		
- Office equipment		14,092
- Motor vehicle		39,200
Accounts receivable	19,200	
Accounts payable		7,300
Discount allowed/ discount received	600	1,400
Stationery expense	1,200	
Insurance expenses	9,600	
Repairs and maintenance expenses	12,400	
Salaries and wages	23,900	
Bad debts	792	
Sundry expenses	6,000	
Carriage inwards	400	
	405,392	405,392

Additional information:

- (i) The closing inventory at 31 December 2023 was valued at RM12,000.
- (ii) Salaries and wages accrued at RM3,500.
- (iii) Prepaid insurance expenses of RM280.
- (iv) Additional bad debts of RM700 to be written off as one of the accounts receivable is uncollectible.
- (v) The repairs and maintenance expenses of RM200 was wrongly debited to purchases account.
- (vi) The following is depreciation policy:
 - Office equipment at 10% on reducing balance
 - Motor vehicle at 20% on straight line basis

(All amounts are to be rounded to the nearest Ringgit)

Required

Prepare the following statements for the financial year ended 31 December 2023:

- a) Statement of profit or loss (12 marks)
- b) Statement of financial position (8 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

Ravi Enterprise provides the following opening balance for the month of December 2023:

Purchases ledger	RM131,200
Sales ledger	RM125,500

In the month of December 2023, the following transactions were made:

Purchase ledger accounts:	RM
Credit purchases	259,600
Return outwards to credit suppliers	9,800
Cheques paid to credit suppliers	228,200
Discount received	12,900
Sales ledger accounts:	
Credit sales	245,000
Cheques received from credit customers	186,250
Interest charged to accounts receivable for late payment	1,100
Discount allowed	2,400
Return inwards from credit customers	7,550
Bad debts written off from one of the accounts receivable	3,450
Dishonoured cheque from one of the accounts receivable	5,870
Contra between sales ledger and purchase ledger	2,260

Required

Prepare the following for the month of December 2023:

- Purchase ledger control accounts (6 marks)
- Sales ledger control accounts (7 marks)
- State the book of original entry of the information in the sales ledger control account and the purchases ledger control account. Present your answer as shown below:

No.	Entry	Book of Original Entry
1	Bought goods on credit term	
2	Cash paid for sundry expenses	
3	Cheque payments to credit suppliers	
4	Adjustment for allowance for DD	
5	Stock returned to credit suppliers	
6	Stock returned from credit customers	
7	Depreciation charges for the year	

(7 marks)

[Total 20 marks]

QUESTION 2

Meng Enterprise has the following property, plant and equipment:

	RM
Buildings	2,000,000
Motor vehicle	95,000

The depreciation policy is as follows:

- Building is to be depreciated at 1% per annum on a straight-line basis.
- Motor vehicle is to be depreciated at 25% per annum on reducing balance method.

Required

- a) Using the table below, calculate the depreciation charges, accumulated depreciation and the net book value for each of the year.

Buildings

Year	Depreciation (RM)	Accumulated Depreciation (RM)	Net Book Value (RM)
2021			
2022			
2023			

Motor vehicle

Year	Depreciation (RM)	Accumulated Depreciation (RM)	Net Book Value (RM)
2021			
2022			
2023			

(18 marks)

- b) List **TWO (2)** causes of depreciation.

(2 marks)

[Total 20 marks]

QUESTION 3

Ramli began operations on 1 September 2023. It uses a perpetual inventory system. During the month of September 2023, the business had the following data for purchases and sales:

Date	Purchases	Issued
1 Sept	500 units @ RM120.00	
6 Sept		300 units
11 Sept	400 units @ RM130.00	
14 Sept		500 units

Required

Calculate the **cost of the ending inventory** and the **cost of goods sold** using the following methods:

- (i) First In, First Out (FIFO) (7 marks)
- (ii) Last In, First Out (LIFO) (7 marks)
- (iii) Weighted average cost (*Average unit cost to be rounded to 2 decimal places*) (6 marks)

[Total 20 marks]

QUESTION 4

Yusuf Trading provides the following transactions for the month of May 2023:

Date	Transactions
2	Recorded the credit purchase of goods for resale of RM12,000 from Beta Enterprise.
5	Sold goods to Soon Ann Enterprise amounting to RM54,000. According to the term, Soo Trading paid a cheque of RM20,000 and the remaining balance will be on one month's credit term.
10	Yusuf Trading issued a cheque amounting to RM1,100 being the freight charges incurred for transporting the goods from Port Klang to the business warehouse.
20	Yusuf took out RM1,800 worth of stock for his personal use.
22	Yusuf Trading decided to settle the amount of RM12,000 owed to Beta Enterprise on 2 May 2022 by issuing a cheque.
24	Soon Ann Enterprise returned a batch of goods worth RM250 because the goods did not meet the standard specifications.
25	Yusuf Trading paid 4 units of office table of RM200 per unit from KK Furniture by issuing a cheque. The chairs are to be classified as office equipment in the book.
26	Drawings of RM350 was wrongly taken up as maintenance expenses.
27	A receipt of RM800 cash sales had been incorrectly debited the sales accounts and credited to the cash in hand.
31	Salaries of RM12,800 was unpaid at the month end.

Required

Prepare the journal entries for the above business transactions. Narrative is not required. Clearly indicate the correct accounts name, accounts receivable or accounts payable.

The first transaction on 1 May has been journalized as an example.

Yusuf Trading made a credit sales amounting to RM15,000 to X Seafood Trading.

<i>Date</i>	<i>Details</i>	<i>Dr (RM)</i>	<i>Cr (RM)</i>
1 May	Accounts Receivable – X Seafood Trading	15,000	
	Sales		15,000

[Total 20 marks]

QUESTION 5

Maggie Trading prepared the following financial statements for the financial year ended 31 December 2023:

Statement of Profit or Loss for the year ended 31 December 2023		
	RM	RM
Sales		220,000
Less: Cost of goods sold		
Opening stock	29,600	
Purchases	132,800	
	162,400	
Closing stock	(30,400)	132,000
Gross profit		88,000
Less:		
Business expenses	10,200	
Depreciation – motor vehicle	3,000	13,200
Net profit		74,800

Statement of Financial Position as at 31 December 2023		
	RM	RM
Non-current assets		
Land	88,000	
Motor vehicle	46,000	134,000
Current assets		
Stock	30,400	
Accounts receivable	27,465	
Bank	29,135	
	87,000	
Current liabilities		
Accounts payable	34,800	
Working capital		52,200
		186,200
Capital	153,800	
Net profit	74,800	
	228,600	
Less: Drawings	(42,400)	

		186,200
--	--	----------------

Required

- a) Calculate the following ratios to **TWO (2)** decimal places for each of the two years (show all workings):
- i) Gross profit margin
 - ii) Net profit margin
 - iii) Return on capital employed (net profit before interest)
 - iv) Current ratio
 - v) Acid test ratio
 - vi) Rate of stock turnover (times)
 - vii) Accounts receivable's collection period (in days)
 - viii) Accounts payable's collection period (in days)

(8 x 2 points = 16 marks)

- b) State the effect (increase or decrease) in the following scenarios that will have upon the accounts receivable and accounts payable:

No.	Scenario	Collection/Settlement Period (Days)	Turnover Rate (times)
(i)	Slow in collecting the debts from accounts receivable		
(ii)	Pay the accounts payable before the credit terms		

(4 marks)

[Total 20 marks]

END OF QUESTION PAPER

