

**FACULTY OF BUSINESS**

**FINAL EXAMINATION**

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_  
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Course Code & Name : **ACC1133 ACCOUNTING**  
Semester & Year : JANUARY – APRIL 2022  
Lecturer/Examiner : JAMES LIOW  
Duration : 2 Hours

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**INSTRUCTIONS TO CANDIDATES**

1. This question paper consists of 3 parts:
  - PART A (20 marks) : Answer all TWENTY (20) multiple choice questions and shade your answers in the provided space with 2B pencil.
  - PART B (20 marks) : Answer ONE (1) compulsory question. Answers are to be written in the Answer Booklet provided.
  - PART C (60 marks) : Answer THREE (3) out of FOUR (4) short answer questions. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment and calculator 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 : COMPULSORY QUESTION (20 MARKS)**

**INSTRUCTION(S) :** There is **ONE** (1) question in this section. Write your answers in the Answer Booklet(s) provided.

Prepare the journal entries for Michael Jaden of the below transactions for the month of February 2022. Narrative is not required for every business transaction. Clearly indicate the correct accounts name, accounts receivable or accounts payable.

The first transaction has been journalized as an example.

*On 1 February, Michael made a credit sales amounting to RM15,000 to X Seafood Trading.*

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

<b>Date</b>	<b>Transactions</b>
2 Feb	Recorded the credit purchase of grocery items for resale of RM55,000 from Beta Enterprise. Term is 2% cash discount if paid within one month.
5 Feb	Made a sales of RM52,000 to Sofian Trading. RM22,000 cheque was received and the remaining balance to be receivable next month.
10 Feb	Michael issued a cheque amounting to RM1,200 being the freight charges incurred for delivering the goods to customers.
20 Feb	Michael took out cash of RM500 to pay for his personal expenses.
22 Feb	Michael decided to pay RM55,000 an amount owing to Beta Enterprise on 2 February 2022 by issuing a cheque and at the same time taking the advantage of a cash discount of 2%.
24 Feb	Sofian Trading returned a batch of goods worth RM550 because the goods did not meet the standard specifications.
25 Feb	Michael made a purchase worth RM2,000 from BB Wholesale on a 30-day credit term.
26 Feb	Michael returned the damage goods worth RM240 for the invoice dated 24 February to BB Wholesale upon receiving the goods.
27 Feb	Salaries of RM1,000 was unpaid at the month end.
28 Feb	A receipt of RM1,000 from Ahmad, a credit customer, had been incorrectly debited the accounts receivable and credited to the bank accounts.

**[Total 20 marks]**

**END OF PART B**

**PART C : SHORT ANSWER QUESTIONS (60 MARKS)**

**INSTRUCTION(S) :** There are **FOUR** (4) questions in this section, answer only **THREE** (3) questions. Write your answers in the Answer Booklet(s) provided.

**QUESTION 1**

The following trial balance was extracted from the books of Abdul Ghani & Sons at the close of business on 30 June 2021:

	<b>Dr (RM)</b>	<b>Cr (RM)</b>
Sales		1,700,000
Purchases	1,054,500	
Return inwards/outwards	40,050	87,000
Carriage inwards	15,750	
Inventory (1 July 2020)	142,000	
Allowance for doubtful debts		8,000
Discount allowed/discount received	17,550	8,500
Wages and salaries	105,500	
Rent expense	80,800	
Telephone expense	75,700	
Office equipment	150,000	
Accumulated depreciation - office equipment		15,000
Motor vehicle	300,000	
Accumulated depreciation - motor vehicle		108,000
Accounts receivable	402,250	
Accounts payable		662,800
Bad debts	20,000	
Capital		370,800
Cash in hand	125,000	
Cash at bank	413,000	
Drawings	18,000	
	<b>2,960,100</b>	<b>2,960,100</b>

Additional information:

- (i) Closing stock is valued at RM78,000
- (ii) Prepaid rent at RM18,000
- (iii) Accrued telephone expenses of RM3,800
- (iv) During the review of accounts receivable, additional bad debts of RM10,000 are irrecoverable and to be written off as bad debts before adjusting for the allowance of doubtful debts at 3%.
- (v) Depreciation is to be provided as follows:
  - Office equipment at 10% using the straight-line method
  - Motor vehicle at 20% using the reducing balance method

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

**Required**

- a) Statement of profit or loss for the year ended 30 June 2021. (10 marks)
- b) Statement of financial position as at 30 June 2021. (10 marks)

**[Total 20 Marks]**

**QUESTION 2**

The following information for the month of February 2021 was extracted from the ledgers of Razzaque Sons:

<b>At 1 February 2021:</b>	<b>RM</b>
Purchases ledger control	25,500 credit balance
Sales ledger control	31,200 debit balance

For the month ended 28 February 2021:

	<b>RM</b>
Credit purchases	511,000
Credit sales	861,000
Return outwards	123,000
Return inwards	110,000
Discount allowed	12,400
Discount received	6,250
Cash paid to accounts payable	340,000
Cash collected from accounts receivable	750,000
Bad debts written off	2,800
Accounts receivable's cheques dishonoured	5,500
Interest charged for overdue payment to accounts receivable	4,600
Legal fees charged to accounts receivable	2,200
Balances on the sales ledger set off against balances in the purchases ledger	12,000

**Required**

- a) Prepare for the month of February 2021:
  - (i) Purchases ledger control account (5 marks)
  - (ii) Sales ledger control account (7 marks)
  
- b) State the sources of original entry of the information in the sales ledger control account and the purchases ledger control account. The below has been provided as an example. Present your answer as shown below:

<b>Entry</b>	<b>Source</b>
<i>Credit sales</i>	<i>Sales day book</i>

<b>No.</b>	<b>Entry</b>	<b>Source</b>
1.	Credit purchases	
2.	Cheque received from credit customers	
3.	Cheque payments to credit suppliers	
4.	Bad debts written off	
5.	Return inwards	

6.	Return outwards	
7.	Depreciation charge	
8.	Discount allowed	

(8 marks)

[Total 20 Marks]

### QUESTION 3

Lydia Kwok Sdn Bhd (Lydia) recorded the following transactions during February 2022:

No.	Details	Amount (RM)
1.	Upkeep of maintenance for office building	5,800
2.	Purchase of additional office equipment	23,500
3.	Purchase of a new warehouse	68,620
4.	Architect's fees for the design of the new warehouse	12,990
5.	Repairs to office equipment	868
6.	Legal fees incurred for sales and purchase agreement of a new warehouse	4,120
7.	Office staff salaries	7,893
8.	Installation of an alarm system in the new warehouse	13,128
9.	The annual service of the alarm system in the office building	238
10.	Installation of new machine	12,856

#### Required

- a) State the above numbers (1) to (10) in your answer book booklet and against each number whether the related expenditure is **revenue** or **capital**. (5 marks)
- b) 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

No.	Details
1.	Lydia maintains all the transactions separately for both her business and personal.
2.	Lydia runs her business with the expectation it will continue to carry on its activities for an indefinite period of time and is not expected to go out of business unless evidence proves otherwise.
3.	Lydia records all assets are recorded in the books of accounts at their purchase price, which includes cost of acquisition, transportation and installation and not at its market price.
4.	Lydia records all transactions in the books affects two accounts in their respective opposite sides.
5.	Lydia records all revenue at the time of sale of goods or services irrespective of the fact when the cash is received.

6.	Lydia prepares its accounts on a monthly and yearly basis so that she would be able to know the financial status of her company.
7.	Lydia makes a sales of RM10,000 in the month of February 2022 and the commission expenses incurred amounted to RM1,000 is recorded in the same month although the commission will only be paid in the following month.
8.	Lydia has another plant in Indonesia and the financial statements are presented in Indonesian Rupiah.
9.	The financial statements of Lydia for year ended 2021 disclosed the inventory policy under first in, first out method.
10.	Lydia purchased the office equipment under the hire purchase arrangement. The transaction is recorded in the book although the legal title of the office equipment is still with the bank.

(15 marks)

**[Total 20 Marks]**

#### QUESTION 4

Ali Baba began operations on 1 January 2022. It uses a perpetual inventory system. During the month of January 2022, the business had the following data for purchases and sales:

Date	Purchases	Issued
1 Jan	700 units @ RM120.00	
6 Jan		500 units
11 Jan	300 units @ RM136.00	
14 Jan		100 units

#### **Required**

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

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

**[Total 20 Marks]**

**END OF QUESTION PAPER**