



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **ACC1513 ACCOUNTING**
 Semester & Year : JANUARY- APRIL 2020
 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

The following trial balance was extracted from the books of Hebat Bookstore, a sole trader on 31 January 2020.

Hebat Bookstore
Trial Balance As at 31 January 2020

	Debit (RM)	Credit (RM)
Purchases/sales	131,000	250,000
Inventory on 1 February 2019	10,000	
Wages	55,000	
Long term loan		40,000
cash in hand	1,400	
Discount allowed/ discount received	500	2,100
Bank overdraft		2,888
Land and building at cost	100,000	
Vehicle at cost	20,500	
Printing and stationeries	300	
Carriages	1,500	
Bad debts	128	
Insurance	2,000	
Accumulated depreciation on building		2,000
Accumulated depreciation on vehicle		4,100
Account receivables/account payables	171,000	34,100
Return inwards/ return outwards	400	600
Capital		157,500
Drawings	600	
Utilities	1,110	
Rent received		5,000
Allowance for doubtful debts		750
Interest on loan	3,600	
	499,038	499,038

The following adjustments need to be considered:

- i. Inventory on 31 January 2020 was valued at RM 10,500.
- ii. RM 2,000 of the receivables has to be written off as bad.
- iii. 45% of the carriage was carriage inwards.

- iv. Prepaid insurance was RM 150.
- v. Accrued wages was RM 3,200.
- vi. A customer, Zaki whose account has been written off as bad debts in 2017 has paid his debt RM 1,100 cash.
- vii. The rate of interest on the long term loan from Bank Rakyat is at 12% per annum.
- viii. The bank has advised the Hebat Bookstore that interest yet to be charged on the bank overdraft amounting RM 231.
- ix. Depreciation is to be provided for as follows:
 - a) Land and building- 2% on reducing balance method.
 - b) Vehicle- 20% on reducing balance method.
- x. Allowance for doubtful debt is to be adjusted to 1.5% of 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

- a. Explain the purpose of general journal and provide **ONE (1)** example of journal entry. (2 marks)
- b. Discuss the concept of imprest system for petty cash and the advantage of using the system. (4 marks)
- c. Enter the following transactions in the three-column cash book of Pearl Enterprise.

1-Jan	Balances brought forward: Cash RM 3,400 and bank RM 5,200.
2 Jan	Rent received by cheque RM 1,200.
3-Jan	The following receivables paid their accounts by cheque each deducting a 3.5% cash discount: Amran RM 1,000, Raj RM 350 and Rasyeed RM 390 (all amounts before discount).
4-Jan	Paid the following expenses by cash: Maintenance of lorry-RM 500 and Utility-RM 310.
5-Jan	Paid salaries by online banking RM 1,200.
6-Jan	The company paid cheque RM 900 to Popular Co deducting a 3% cash discount.
8-Jan	Transferred RM 250 bank to the cash account.
15-Jan	Bought stationery RM 100, paying cash.
20-Jan	Cash purchases from BB Enterprise amounting RM 900.
28-Jan	The company received cheque amounted RM 300 for bad debt recovered.
30-Jan	Cash sales received RM 300.
30-Jan	Withdrew RM 150 cash for personal used.
31-Jan	Received cheque for commission RM 800.

(14 marks)

[Total: 20 marks]

QUESTION 2

- a. Explain **FIVE (5)** users of accounting information. (10 marks)

Accounting concept refers to the basic assumptions and rules and principles which work as the basis of recording of business transactions and preparing accounts.

- b. Describe the following accounting concepts:

- i. Dual
- ii. Substance over form
- iii. Prudence
- iv. Materiality
- v. Consistency

(10 marks)

[Total: 20 marks]

QUESTION 3

Machinery 1

XX Enterprise a manufacturer of paper straw purchased a new machinery of 1 April 2016 which the original price was price at RM 150,000. The delivery cost amounted to RM 500 and insurance in transit was RM 120. The company paid RM 2,000 for the installation cost. Two days later, the company decided to arrange an initial training for the employees to use the machinery. The initial cost for the employees to operate the machine of training was RM 3,000. The expected useful life is 10 years and the scrap value is estimated to be RM 10,000.

Machinery 2

Machinery 2 was purchased on 1 May 2017 for RM 116,200 to cater the demand from the XX Enterprise's customers. The company paid RM 2,000 for the installation cost. Estimated useful life is 8 years and the scrap value is estimated to be RM 11,000. The company incurred yearly training cost for the above machinery amounting RM 2,800.

All payments were made by cheque. This company uses the straight line method for calculating depreciation (month to month basis). The company's financial year period ended 31 December each year.

Required:

- a. Prepare the machinery account, depreciation and accumulated depreciation accounts for the year of 2016 to 2019. (16 marks)
- b. Prepare the extract of the Statement of Financial Position for the year of 2019. (4 marks)

[Total: 20 marks]

QUESTION 4

Below are the inventory transactions for AA Enterprise which just started its business on 1st January 2020.

1	January	Purchased	120 units at RM 5.50
2	January	Sold	30 units
5	January	Sold	30 units
10	January	Purchased	100 units at RM 5.80
11	January	Purchased	50 units at RM 6.00
16	January	Sales	85 units
17	January	Sales	80 units
20	January	Purchased	70 units at RM 6.10

- a. Calculate the cost of goods sold and the closing stock using each of the following methods:
- i. First in first out (5 marks)
 - ii. Last in first out (5 marks)
 - iii. Weighted average (4 marks)
- b. Calculate the gross profit for each method calculated above for month of January (Assume the sales price for the above item is RM 8.00 per unit).

(6 marks)

[Total: 20 marks]

QUESTION 5

The following are the financial statements (extract) for BB Enterprise:

BB Enterprise

Statement of Profit or Loss and Other Comprehensive Income (Extract) for The Year Ended 2019

	RM	RM	RM
Sales			140,000
Opening stock	36,400		
purchases	70,000		
Carriage inwards	<u>1,521</u>		
Cost of goods available of sales		107,921	
less closing stock		<u>(19,400)</u>	
			<u>88,521</u>
gross profit			51,479
Other revenue			<u>5,000</u>
			56,479
Operating Expenses			49,150
Net profit			<u>7,329</u>

BB Enterprise

Statement Financial Position (Extract) As At 31 December 2019

Land	200,000	
Furniture and fittings	<u>55,000</u>	255,000
Current assets		
Account receivables	81,000	
Bank	21,321	
Closing stock	<u>19,400</u>	<u>121,721</u>
		376,721
Current liabilities		
Payables	49,000	
Accruals	<u>1,340</u>	50,340

Financial ratios for the financial year ending 31December 2018 are as follow:

BB Enterprise

Current Ratio	3
Net profit ratio	6%
Average Inventory Turnover Ratio (no of times)	3.8 times
Account Receivables Collection Period	150 days
Account payables Settlement/ Collection Period	163 days

Required:

Compute and comment on each of the following ratios for BB Enterprise for year of 2019:

- a. Current Ratio (4 marks)
- b. Net profit margin. (4 marks)
- c. Average Inventory Turnover Ratio (no of times) (4 marks)
- d. Account Receivables Collection Period (4 marks)
- e. Account payables Settlement/ Collection Period (4 marks)

[Total: 20 marks]

END OF PART B

END OF QUESTION PAPER