



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 : JANUARY –APRIL 2021
Lecturer/Examiner : AFIQAH/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

Miss Lily operates a mini market known as L Mini Market. Given below is the trial balance of the business as at 31 March 2021.

L Mini Market		
Trial Balance as at 31 March 2021		
	Debit (RM)	Credit (RM)
	RM	RM
Motor vehicles	180,000	
Accumulated depreciation - motor vehicle		36,000
Land and building	112,000	
Accumulated depreciation - land & building		6,720
Salary	20,000	
Inventory as at 1 April 2020	11,000	
Purchases and sales	63,000	187,000
Capital		241,390
Commission received		9,900
Insurance	3,400	
Maintenance	7,300	
Bad debts	3,100	
Allowance for doubtful debts		6,710
Accounts receivable & accounts payable	51,120	15,500
Cash	2,000	
Bank	38,100	
Drawings	1,200	
Utilities	10,000	
Carriage inwards	1,300	
Carriage outwards	700	
Discounts allowed & discount received	1,100	2,100
	505,320	505,320

Additional information to be taken into consideration:

- (i) Inventory as at 31 March 2021 was RM10,400.
- (ii) Provide depreciation as follows:
 - Motor vehicles 10% on straight line method
 - Land and building 2% on straight line method

- (iii) Additional bad debts of RM1,000 are irrecoverable and to be written off. The allowance for doubtful debts is to be adjusted at 15% of the net accounts receivable.
- (iv) Salaries are to be accrued at RM 1,000.
- (v) Prepaid insurance of RM 320.

Required

- a) Prepare the Statement of Profit or Loss for the year ended 31 March 2021. (12 marks)
 - b) Statement of Financial Position as at 31 March 2021. (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

- a) Discuss the differences between perpetual and periodic inventory. (4 marks)
- b) Zan uses material L for production purposed. The following information on material L is available:

Date	Purchased (litres)	Price (RM per litre)	Issued (litres)
1 March	200	10.50	
4 March	300	12.50	
5 March			80
6 March			140
11 March	150	14.00	
18 March			130
20 March			110
25 March	150	15.50	
29 March			140

Required

Calculate the cost of goods sold and the closing balance for the month of March by using the following methods:

- (i) First in first out
(ii) Last in first out
(iii) Weighted average

(16 marks)

[Total 20 marks]

QUESTION 2

- a) Discuss the concept of imprest petty cash system. (4 marks)
- b) Encik Faizal set up a business under the name of Faizal Enterprise on 1 April 2021. The following financial transactions occurred during the month of August 2021:

Date	Transaction
1	The debit balance in the cash and bank accounts amounted to RM500 and RM10,500 respectively.
1	The owner invested additional RM15,000 cash into the business.
2	Transfer cash of RM14,400 into the bank accounts.

7	Purchased goods worth RM3,000 by cheque.
11	Paid Karl RM3,200 by cheque for purchased of office furniture.
15	The owner took RM400 cash for personal used.
16	Cash sales amounting RM4,000.
18	Paid the following credit supplier by cheque in each case deducting 5% discounts: <ul style="list-style-type: none"> - Reena RM3,100 - Lim RM 5,200 - Lai RM1,100
19	Cash purchases RM500.
20	Paid insurance and utilities by cash RM2,000 and RM 1,280.
22	Bought stationeries by cash RM80.
24	Received cheque from the following receivables in each case deducting 3% discounts: <ul style="list-style-type: none"> - Zakaria RM4,520 - Cheng RM3,561 - Zai RM3114
25	Paid the assistant's salary by cheque RM 1,200.
27	Paid cash for office expenses RM130.

Required

Record the following transactions in the three-column cashbook of Faizal Enterprise for the month August.

(16 marks)

[Total 20 marks]

QUESTION 3

The following information has been extracted from the books of Nur:

Balances at 1 December 2020	Dr (RM)	Cr (RM)
Purchases Ledger Control Account		28,923
Sales Ledger Control Account	88,456	

Transactions for the month of December 2020:

	RM
Credit sales	46,520
Cash sales	3,560
Cheque payments to accounts payable	12,875
Credit purchases	15,385
Goods returned by accounts receivable	526

Cash purchases	240
Accounts receivable's cheque dishonoured	150
Discount allowed	732
Goods returned to accounts payable	232
Bad debts written off	420
Discount received	285
Cheques received from accounts receivable	42,188
Legal fees reimbursed to accounts receivable	1,200
Interest charged to accounts receivable	500
Transfers of debit balances in sales ledger to purchases ledger	2,500

The allowance for doubtful debts is to be maintained at 2% of accounts receivable at 31 December 2020.

Required

- a) Prepare the following control accounts for the month of December 2020:
 - i) Purchase ledger control accounts (7 marks)
 - ii) Sales ledger control accounts. (11 marks)

- b) Prepare as at 31 December 2020, a Statement of Financial Position extract showing the balance for accounts receivable and accounts payable under the headings of current assets and current liabilities. (2 marks)

[Total 20 marks]

QUESTION 4

Kim Trading is a business selling stationeries and located at Shah Alam. The financial statement of Kim Trading for the year ended 31 March 2021 is as follows:

Kim Trading Statement of Profit or loss for the year ended 31 March 2021		
	RM	RM
Sales		342,000
Less: cost of goods sold		
Opening inventory	70,000	
Purchases	110,000	
	180,000	
less: closing inventory	(37,800)	(142,200)
Gross profit		199,800
Less: expenses		(121,430)
Net profit		78,370

Kim Trading Statement of Financial Position (extract) as at 31 March 2021		
	RM	RM
Non-current assets		191,000
Current assets		
Inventory	37,800	
Accounts receivable	39,100	
Bank	52,000	128,900
Current liabilities		
Accounts payable	29,710	
Accruals	15,000	

Required

Compute and comment the following ratios:

- a) Current ratio (4 marks)
- b) Inventory turnover ratio (4 marks)
- c) Return on assets (4 marks)
- d) Accounts receivable collection period (4 marks)
- e) Accounts payable settlement period (4 marks)

[Total 20 marks]

QUESTION 5

Gemilang Terbilang Enterprise is a retail shop owned by Encik Radzi. Below is its cash book for the month of January 2021.

Cash book					
Jan		RM	Jan		RM
1	Balance b/d	18,970	2	Rose	4,600
5	Kama Trading	1,840	10	Jai	24,150
12	Zaime Sdn Bhd	22,466	12	Marlini	3,680
18	Alias	20,626	15	Harez	46,000
25	Light Enterprise	22,080	17	Salary	9,200
30	Sales	8,188	20	Karthini	46,000
30	Balance c/d	39,459			
		133,768			133,768
			1 Feb	Balance b/d	39,459

However, on 4 February, Encik Radzi received a bank statement from the bank for the month of January and it was found that the balance of her cash book and the bank statement was different.

Bank Statement for the month of January 2021

Jan 2021		Dr (RM)	Cr (RM)	Balance (RM)
	Balance b/d			18,970.40
4	Cheque	4,600.00		14,370.40
8	Deposit		1,840.00	16,210.40
6	Cheque	24,150.00		7939.6 (dr)
12	Deposit		20,626.40	12,686.80
13	Salary	9,200.00		3,486.80
14	Maybank credit: Aneesa		8,188.00	11,674.80
23	Direct debit: Kumar		1,380.00	13,054.80
24	Bank charges	920.00		12,134.80
31	Interest		460.00	12,594.80

Required

a) Update the cashbook and bank reconciliation statement as at 31 January 2021. (12 marks)

b) Explain the following terms:

- (i) Standing orders
- (ii) Interest on overdraft
- (iii) Uncredited lodgements
- (iv) Bank charges

(8 marks)

[Total 20 marks]

END OF QUESTION PAPER