

FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **ACC1124 ACCOUNTING 2**
Semester & Year : MAY – AUGUST 2021
Lecturer/Examiner : JAMES LIOW
Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
PART A (25 marks) : Answer all TWENTY FIVE (25) multiple choice questions and shade your answers in the provided space with 2B pencil.
PART B (75 marks) : Answer THREE (3) out of FOUR (4) problem solving 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 : PROBLEM SOLVING QUESTIONS (75 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

An, Shan and Zi are in partnership sharing profits in the ratio 2:1:1.

The following are the opening balances on 1 January 2020:

Partner	Capital Accounts (RM)	Current Accounts (RM)
An	120,000	800 (Cr)
Shan	60,000	640 (Cr)
Zi	50,000	1,260 (Cr)

The partners have agreed on the following terms:

- (i) Interest on capital to be charged at 10% per annum.
- (ii) Interest on drawings to be charged at 5% per annum.
- (iii) During the year to 31 December 2020, the three partners took drawings of RM76,000; RM22,400 and RM24,000 respectively.
- (iv) An is paid a salary of RM34,000 per annum.

The following information is also available relating to the year ended 31 December 2020:

	RM
Purchases	402,300
Sales	645,320
Stock at 1 January 2020	23,360
Stock at 31 December 2020	25,020
Depreciation	17,820
Discount received	2,260
Discount allowed	1,640
Rent expenses	24,000
Light and heat	28,880
Wages and salaries	45,980
Repairs and maintenance	7,620

Required

Prepare the following for the year ended 31 December 2020:

- a) Profit & loss and appropriation account. (16 marks)
- b) Current accounts for the three partners in columnar format. Dates may be ignored. (9 marks)

[Total 25 marks]

QUESTION 2

The following information is available for DMS Wholesaler at 31 March 2021. All purchases and sales are on credit and all invoices should be paid within 30 days.

	RM
Sales	250,000
Stock 1 April 2020	21,000
Stock 31 March 2021	19,000
Purchases	187,500
Cost of sales	189,500
Gross profit	60,500
Net profit	30,000
Capital employed	300,000
Cash at bank	1,000
Accounts receivable	15,000
Accounts payable	20,000

Required

- a) Using the above information, calculate the following ratios to **ONE (1)** decimal place:
- Current ratio
 - Acid test ratio
 - Gross profit margin
 - Net profit margin
 - Return on capital employed
 - Rate of stock turnover
 - Accounts receivable's collection period in days
 - Accounts payable's settlement period in days

(16 marks)

The following ratios have been calculated for a competitor, RHG Wholesaler:

Current ratio	1.5:1
Acid test	0.6:1
Gross profit margin	20%
Net profit margin	9%
Return on capital employed	8%
Accounts receivable's collection period	30 days
Accounts payable's settlement period	42 days

Required

- b) Comment any **FOUR (4)** ratios that you have calculated for DMS Wholesaler with those for RHG Wholesaler. (8 marks)
- c) State which business performed better during the year ended 31 March 2021. (1 mark)

[Total 25 marks]

QUESTION 3

Choo Bhd is a public listed company and its shares are traded at the Bursa Malaysia. The following are the capital structure:

- 320,000 ordinary shares issued at RM0.50 each
- 160,000 5% preference shares issued at RM1.00 each

Besides, it has RM80,000 of 5% debentures with interest being paid half-yearly in arrears on 30 June and 31 December. It also has a loan of RM60,000 with interest being paid at 8% on the same terms as the debentures. The debentures and loan are repayable in 2027.

The following information is available for the year ended 31 December 2020:

	RM
Other operating expenses	56,000
Wages and salaries	184,000
Sales	1,070,000
Cost of sales	580,000
General expenses	128,200

Additional information at 31 December 2020:

	RM
Premises at net book value	480,000
Accounts receivable	37,600
Accounts payable	23,600
Machinery at net book value	360,000
Bank	52,400 Dr
Closing stock	122,000
General reserve at 1 January 2020	200,000
Retained profits at 1 January 2020	295,400

- (i) The directors have proposed that a dividend of RM0.05 per share is paid on the ordinary shares.
- (ii) Dividends are also to be paid on the preference shares. RM20,000 is to be transferred to the general reserve. All interest payments were made on their due dates.

Required

Prepare the following statements for the financial period ended 31 December 2020:

- a) Profit & loss and retained earnings account. (8 marks)
- b) Statement of financial position. (12 marks)
- c) List any **FIVE** (5) characteristics of a private company. (5 marks)

[Total 25 Marks]

QUESTION 4

The financial statements for Johan Bhd for the year 2020 are presented below:

Statement of Profit or Loss for the year ended 31 December 2020		
	RM	RM
Sales		6,500
Less Cost of goods sold		(3,000)
		3,500
Less: Expenses		
Wag	2,600	
Other expenses	600	
Depreciation	500	
Interest	100	(3,200)
Profit for the year		300
Dividend		(50)
Retained Profit		250

Statement of Financial Position as at 31 December				
	2020		2019	
	RM	RM	RM	RM
Non-current assets				
Property, plant and equipment		4,500		3,800
Less Accumulated depreciation		(2,300)		(1,800)
		2,200		2,000
Current assets	400		500	
Stock	150		200	
Accounts receivable	200	750	100	800
Cash				
Current liabilities				
Accounts payable	325		300	
Accrued wages	25	(350)	50	(350)
		2,600		2,450
Financed by:				
Debentures	900		1,000	
Ordinary share capital	1,000		1,000	
Retained profits	700		450	
		2,600		2,450

Required

- Prepare a statement of cash flows for Johan Bhd for the year ended 31 December 2020 as required using the indirect method. (20 marks)
- Describe any **TWO** (2) benefits of preparing a statement of cash flows. (5 marks)

[Total 25 Marks]

END OF QUESTION PAPER