

FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **ACC1133 ACCOUNTING**
Semester & Year : MAY – AUGUST 2021
Lecturer/Examiner : JAMES LIOW
Duration : 2 Hours

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.

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.

Susan Vegan operates medium size groceries shop that sells varieties of seafood items. As she did not maintain a proper accounting systems, she requested her friend to record the business transactions by journalising the business entries. The first transaction has been journalized as an example. Narrative is not required for every business transaction.

- a) Susan made a credit sales amounting to RM15,000 to X Seafood Trading

	Details	RM	RM
<i>Dr</i>	<i>Accounts Receivable – X Seafood Trading</i>	<i>15,000</i>	
<i>Cr</i>	<i>Sales</i>		<i>15,000</i>

- b) Record the credit purchases of RM40,000 owing to ABC Supplies Co.
- c) Susan issued a cheque amounted to RM1,200 being the freight charges incurred for hiring a freight forwarder to transport the goods to her warehouse.
- d) Susan returned the damage goods worth RM250 to ABC Supplies Co.
- e) Susan made cash drawings of RM1,000 for her personal use.
- f) X Seafood Trading made a partial cheque payment of RM1,500 for an invoice owing since last year.
- g) Susan decided to pay an amount owing of RM5,000 to ABC Supplies Co. by issuing a cheque and at the same time taking the advantage of a cash discount of 1%. The amount shown is a pre-discount amount.
- h) X Seafood Trading returned a batch of goods worth RM350 because the goods did not meet the standard specifications.
- i) Susan made a cash sales of RM3,000 to a new customer, Kelly who has been given a trade discount of 5% due to bulk purchase. The amount shown is a pre-discount amount.
- j) Susan decided to insure a fire insurance policy for her warehouse. Susan paid RM750 for the premium that will cover for a year.
- k) Susan decided to take goods out worth RM650 from the warehouse for her personal use.

[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

Sandra Ho extracted the following Trial Balance from her books on 31 March 2021:

	Dr (RM)	Cr (RM)
Capital		45,000
Bank	23,850	
General expenses	735	
Cash	180	
Postage and stationery	405	
Furniture and equipment, at cost	12,000	
Motor vehicle running expenses	2,940	
Discounts allowed and received	930	570
Accounts receivable and accounts payable	14,400	4,830
Return inwards and return outwards	315	135
Utilities expenses	870	
Rent and insurance	10,800	
Wages and salaries	27,300	
Motor vehicle, at cost	11,250	
Drawings	9,000	
Purchases and sales	187,140	248,955
Accumulated for depreciation 1 April 2020:		
- Furniture and equipment		3,600
- Delivery vehicle		4,500
Allowance for doubtful debts		300
Stock at 1 April 2020	5,775	
	307,890	307,890

Additional information as at 31 March 2021:

- (i) Stock was valued at RM6,300
- (ii) Wages and salaries accrued RM1,980
- (iii) Insurance prepaid RM240
- (iv) The allowance for doubtful debts is to be adjusted to 2½% of accounts receivable.
- (v) Depreciation for the year:
 - Furniture and equipment 10% on reducing balance basis.
 - Delivery vehicle 20% on straight line basis.

Required

- a) Statement of profit or loss for the year ended 31 March 2021. (11 marks)
- b) Statement of financial position as at 31 March 2021. (9 marks)

[Total 20 Marks]

QUESTION 2

The following information for the month of February 2021 was extracted from the ledgers of Ho Chang:

At 1 February 2021:	RM
Purchases ledger control	16,137 credit balance
Sales ledger control	26,571 debit balance

For the month ended 29 February 2021:

	RM
Credit sales	162,384
Credit purchases	123,585
Payments to suppliers	112,251
Receipts from customers	147,534
Returns inwards	6,615
Returns outwards	3,204
Discounts allowed	5,232
Discounts received	3,630
Bad debts written off	576
Debit balances in sales ledger transferred to purchases ledger	1,035
Legal expenses charged to customer's account	270
Customer's cheque dishonoured	1,128

Required

- a) Prepare for the month of February 2021:
 - (i) Purchases ledger control account (8 marks)
 - (ii) Sales ledger control account (9 marks)
- b) List **TWO** (2) purposes of maintaining a control account in the general ledger. (3 marks)

[Total 20 Marks]

QUESTION 3

Francis Kelvin owns a bakery business that makes and sells pastries and bread items. During the financial year ended 31 December 2020 he incurred the following items of expenditure:

- (i) Ingredients use in making the pastries and breads.
- (ii) Commission paid to the sales staff.
- (iii) Purchase of a commercial oven and steamer for use in the business.
- (iv) Installation costs incurred before operating the commercial oven and steamer.
- (v) Wages of staff operating the commercial oven and steamer.
- (vi) Purchase a second hand delivery van.
- (vii) Utilities expenses incurred.
- (viii) Payment to insurance company for fire insurance coverage.
- (ix) Payment of architects fees for designing the proposed new shop.
- (x) Purchase of a new telephone system and furniture for the new shop.

Required

- a) List the above numbers (i) to (x) in your answer book booklet and against each number state whether the related expenditure is either **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

- (i) The owner's personal expenses are not recorded in the business expenses.
- (ii) The enterprise paid RM50,000 cash for the purchase of a combi oven and it is recorded in the book at cost.
- (iii) The financial statements of ABX Ltd at the US plant are measured in US Dollars.
- (iv) The financial statements report the accounting information at regular intervals.
- (v) There are two sides to accounting, one represented by the assets and the other represented by the liabilities and capital.
- (vi) Revenue must be recorded in the accounting period in which it is earned.
- (vii) Assume the business will continue to operate for the foreseeable future.
- (viii) The financial statements for year ended 2020 disclosed the depreciation policy.
- (ix) Business is not only to measure revenues in a particular accounting period but also has to calculate expenses which can be assigned in earning such revenues.
- (x) An asset may be leased to a lessee without the transfer of legal title at the end of the lease term.

(15 marks)

[Total 20 Marks]

QUESTION 4

Cortez Co. began operations on 1 January. It uses a perpetual inventory system. During the month of January 2021, the company had the following purchases and sales.

Date	Purchases	Issued
1 Jan	50 units @ RM120.00	
6 Jan		40 units
11 Jan	70 units @ RM136	
14 Jan		30 units

Required

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

- a) First In, First Out (FIFO)
- b) Last In, First Out (LIFO)
- c) Weighted Average Cost

[Total 20 Marks]

END OF QUESTION PAPER