



**FACULTY OF BUSINESS**

**FINAL EXAMINATION**

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_  
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Course Code & Name : **ACC1513 ACCOUNTING**  
Semester & Year : MAY – AUGUST 2024  
Lecturer/Examiner : JAMES LIOW  
Duration : 3 Hours

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**INSTRUCTIONS TO CANDIDATES**

1. This question paper consists of 2 parts:  
PART A (60 marks) : Answer THREE (3) short answer questions. Answers are to be written in the Answer Booklet provided.  
PART B (40 marks) : Answer TWO (2) out of THREE (3) structured type 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 : SHORT ANSWER QUESTIONS (60 MARKS)**

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

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**QUESTION 1**

The following are the opening balance for the month of May 2024 regarding KK Enterprise:

|                                  | <b>RM</b> |
|----------------------------------|-----------|
| Sales ledger control account     | 33,500    |
| Purchases ledger control account | 42,100    |
| Allowance for doubtful debts     | 12,500    |

In the month of May 2024, the following transactions were made:

|   | <b>RM</b> |
|---|-----------|
| Interest charged to accounts receivable for late payment            | 12,270    |
| Debit balance on sales ledger transferred to purchase ledger        | 49,400    |
| Cash purchases  | 146,900   |
| Accounts receivable's cheque dishonoured                            | 10,500    |
| Legal fees for debt collection charged to credit customer's account | 5,200     |
| Sales on credit   | 661,000   |
| Credit purchases  | 536,600   |
| Returns outwards to credit suppliers                                | 19,700    |
| Returns inwards from credit customers                               | 15,300    |
| Cash sales  | 250,250   |
| Discounts allowed   | 2,040     |
| Discounts received  | 950       |
| Bad debts written off   | 12,140    |
| Payments to credit suppliers  | 240,400   |
| Receipts from credit customers                                      | 210,200   |

Note:

The allowance for doubtful debts was to be adjusted to 3% of accounts receivable at 31 May 2024.  
(All amounts are to be rounded to the nearest Ringgit)

**Required**

Prepare the following for the month of May 2024:

- Purchase ledger control accounts (5 marks)
- Sales ledger control accounts (7 marks)
- Statement of financial position extract showing the balance for accounts receivable, accounts payable and working capital. (3 marks)

- d) Calculate the amount to be charged as doubtful debts in the profit or loss. Indicate whether the amount is increased/decreased and debit/credit to profit or loss. (2 marks)
- e) Name **THREE (3)** books of original entry besides sales day book and purchase day book. (3 marks)

**[Total 20 marks]**

### QUESTION 2

Amira Trading closes its accounts on 31 December each year. On 1 January 2021, the business purchased 2 units of machine equipment for its manufacturing plant at the cost of RM24,500 each.

The following are the opening balance as at January 2023:

|                          | RM     |
|--------------------------|--------|
| Machine equipment        | 49,000 |
| Accumulated depreciation | 9,800  |

The business provides the depreciation of the machine equipment at a rate of 10% per annum using straight line method. Full year depreciation is calculated in the year of purchase but none in the year of disposal.

On 30 June 2023, the machine equipment which was purchased in 2021 was disposed for a total cash consideration of RM41,000. On the same date, the business bought a new machine equipment to replace the existing ones at a cost of RM89,000.

#### **Required**

- a) Prepare the following accounts for the year ended 31 December 2023:
- (i) Motor vehicle (6 marks)
  - (ii) Accumulated depreciation of motor vehicle (6 marks)
  - (iii) Disposal of motor vehicle (5 marks)
- b) List **TWO (2)** causes of depreciation. (2 marks)
- c) Name **ONE (1)** depreciation method besides straight line. (1 mark)

**[Total 20 marks]**

### QUESTION 3

88 Speed Mart Trading uses a perpetual inventory system. The following information of the purchases and sales are extracted from the warehouse systems for the month of May 2024:

| Date   | Purchases          | Issued    |
|--------|--------------------|-----------|
| 1 May  | 500 units @ RM5.50 |           |
| 6 May  |                    | 300 units |
| 11 May | 400 units @ RM5.60 |           |
| 14 May |                    | 500 units |

Additional information:

The selling price of the unit sold is set at RM6.00 per unit.

**Required**

- a) Calculate the cost of the ending inventory and the cost of goods sold using the following methods:
- (i) First In, First Out (FIFO) (6 marks)
  - (ii) Last In, First Out (LIFO) (6 marks)
  - (iii) Weighted average cost (*Average unit cost to be rounded to 2 decimal places*) (4 marks)
- b) Compare the results of the three inventory methods in a tabular format and determine the gross profit for each of the methods. (3 marks)
- c) Based on the information in part (b) above, state which method produces the lowest gross profit. (1 mark)

**[Total 20 marks]**

**END OF PART A**

**PART B : STRUCTURED TYPE QUESTIONS (40 MARKS)**

**INSTRUCTION (S) :** There are **THREE (3)** questions in this section, answer only **TWO (2)** questions. Write your answers in the Answer Booklet(s) provided

**QUESTION 1**

The following list of balances was extracted from the books of Aminah Trading for the year ended 31 December 2023:

| <b>Aminah Trading</b>                       |                |                |
|---|----------------|----------------|
| <b>Trial Balance as at 31 December 2023</b> |                |                |
|   | <b>RM</b>      | <b>RM</b>      |
| Revenue                                     |                | 372,750        |
| Purchases                                   | 215,760        |                |
| Return inwards/return outwards              | 2,550          | 1,230          |
| Discount allowed/discount received          | 1,300          | 800            |
| Insurance expenses                          | 5,640          |                |
| Carriage outwards                           | 900            |                |
| Motor vehicle (at cost)                     | 18,000         |                |
| Office equipment (at cost)                  | 30,000         |                |
| Salaries and wages                          | 80,000         |                |
| Utilities expenses                          | 7,800          |                |
| Rent expenses                               | 9,408          |                |
| Maintenance expenses                        | 6,380          |                |
| Carriage inwards                            | 8,240          |                |
| Accounts receivable                         | 46,200         |                |
| Accounts payable                            |                | 20,440         |
| Accumulated depreciation:                   |                |                |
| - Motor vehicle                             |                | 13,500         |
| - Office equipment                          |                | 15,000         |
| Allowance for doubtful debts                |                | 830            |
| Drawings                                    | 18,700         |                |
| Cash at bank                                | 6,040          |                |
| Cash in hand                                | 100            |                |
| Opening stock                               | 128,000        |                |
| Capital                                     |                | 160,468        |
|   | <b>585,018</b> | <b>585,018</b> |

Additional information:

- (i) Closing stock is valued at RM178,500.
- (ii) Rent of RM2,400 was prepaid for three months.
- (iii) Utilities expenses accrued at RM555.
- (iv) Drawings of RM1,450 was wrongly taken up as purchases.

- (v) Depreciation is to be provided as follows:
- Motor vehicle - 50% reducing balance
  - Office equipment - 20% straight line
- (vi) A trade receivable balance of RM1,240 as at 31 December 2023 from Akram Trading was decided to be written-off as bad debts. Then, the allowance for doubtful debts was to be adjusted at 3% of the accounts receivable balance at the end of the year.

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

**Required**

Prepare the following statements for the financial year ended 31 December 2023:

- a) Statement of profit or loss (10 marks)
- b) Statement of financial position (10 marks)
- [Total 20 marks]**

**QUESTION 2**

**Section A**

Clement Ti owned Clementi Enterprise and recorded his bank and cash transactions in a 3-column Cash Book. The following transactions took place during May 2024:

| Date   | Details   | RM         |
|--------|---|------------|
| 1 May  | Cash, brought down  | 550 (Dr)   |
| 2 May  | Bank, brought down  | 8,300 (Dr) |
| 7 May  | Received from Eng Enterprises by cheque deducting 2% cash discount.     | 2,500      |
| 8 May  | Received cash sales from his customers.                                 | 1,250      |
| 11 May | Paid accounts payable Farm Supplies by cheque less 3% cash discount.    | 4,800      |
| 13 May | Clement Ti withdrew from bank for business use.                         | 2,000      |
| 15 May | Clement Ti managed to secure a business loan from SEM Bank Berhad.      | 25,000     |
| 16 May | Clement Ti drew a cheque for his own personal use.                      | 6,700      |
| 18 May | Paid electricity bills by cash.   | 1,220      |
| 25 May | Received from SS Trading by cheque deducting 2% cash discount.          | 3,350      |
| 26 May | Paid salaries and wages in cheque.                                      | 12,800     |
| 27 May | Clement Ti withdrew cash for his personal use.                          | 2,000      |
| 28 May | Office rent paid by cheque.   | 4,200      |
| 29 May | Accounts payable, Zahid Trading paid by cheque net of 3% cash discount. | 5,670      |
| 31 May | Bought 1 unit of air conditioner paying by cheque.                      | 2,500      |
| 31 May | Received from Sim Enterprise by cheque less 3% cash discount.           | 5,600      |

Note:

- All cash discount amounts are pre-discount.
- All amounts are to be rounded to the nearest Ringgit.

**Required**

- a) Write up the 3-column cash book for the month of May 2024. Balance the cash book and bring down the balances at 1 June 2024. (13 marks)

**Section B**

On 4 June 2024, Clementi Enterprise received a bank statement for the month of May and showed that the amount was different from the cash book balance.

Examination of the records revealed the following reasons for the said difference:

- (i) The bank has charged a loan interest of RM150.
- (ii) Cheque book charges of RM10.00
- (iii) Direct deposit of RM1,550 into the bank account by a credit customer has not been recorded in the cash book.
- (iv) Following deposited cheques were not realised during the month:
  - Cheque received from SS Trading on 25 May 2024
  - Cheque received from Sim Enterprise on 31 May 2024
- (v) Following issued cheques were not presented for payments:
  - Cheque paid to Zahid Enterprise on 29 May 2024
  - Cheque paid for the purchase of the air conditioner on 31 May 2024

**Required**

- b) Based on the information obtained from the bank statement, update the cashbook for the month of May 2024. (3 marks)
- c) Perform the bank reconciliation statement as at 31 May 2024. (4 marks)

**[Total 20 marks]**

**QUESTION 3**

Sehati Bhd is a company which distribute electrical components to the retail hardware shops. The following are the financial statements for the year ended 31 December for the last 2 years:

| <b>Statement of Profit or Loss for the year ended</b> |                  |                  |
|---|------------------|------------------|
|   | <b>2023 (RM)</b> | <b>2022 (RM)</b> |
| Sales   | 924,480          | 1,150,400        |
| Opening stock   | 96,500           | 84,960           |
| Purchases   | 542,300          | 690,276          |
| Closing stock   | (110,880)        | (96,500)         |
| Cost of goods sold                                    | 527,920          | 678,736          |
| Gross profit  | 396,560          | 471,664          |
| Distribution costs                                    | (210,800)        | (272,000)        |
| Administration costs                                  | (104,920)        | (99,600)         |
| Interest expense                                      | (23,560)         | (35,000)         |
| Profit before tax                                     | 57,280           | 65,064           |

|                         |               |               |
|-------------------------|---------------|---------------|
| Taxation                | (14,400)      | (12,300)      |
| <b>Profit after tax</b> | <b>42,880</b> | <b>52,764</b> |

| <b>Statement of Financial Position as at</b> |                  |                  |
|--|------------------|------------------|
|  | <b>2023 (RM)</b> | <b>2022 (RM)</b> |
| <b>Non-Current Assets</b>                    |                  |                  |
| Property, plant and equipment                | 191,520          | 145,000          |
| <b>Current Assets</b>                        |                  |                  |
| Inventory                                    | 110,880          | 96,500           |
| Account receivables                          | 120,240          | 123,000          |
| Total current assets                         | 231,120          | 219,500          |
| <b>Total assets</b>                          | <b>422,640</b>   | <b>364,500</b>   |
| <b>Equity &amp; Liabilities</b>              |                  |                  |
| <b>Equity</b>                                |                  |                  |
| Ordinary share capital                       | 28,800           | 24,500           |
| Retained earnings                            | 71,280           | 28,400           |
| Total equity                                 | 100,080          | 52,900           |
| <b>Non-Current Liabilities</b>               |                  |                  |
| Long-term loan                               | 129,600          | 132,000          |
| <b>Current Liabilities</b>                   |                  |                  |
| Account payables                             | 151,200          | 121,800          |
| Bank overdraft                               | 16,560           | 32,000           |
| Tax payable                                  | 12,960           | 11,300           |
| Accruals                                     | 12,240           | 14,500           |
| Total current liabilities                    | 192,960          | 179,600          |
| <b>Total Equity and Liabilities</b>          | <b>422,640</b>   | <b>364,500</b>   |

**Required**

- a) Calculate the following ratios to **TWO (2)** decimal places for each of the two years (show all workings):
- i) Gross profit margin
  - ii) Net profit margin
  - iii) Return on capital employed (net profit before interest)
  - iv) Current ratio
  - v) Acid test ratio
  - vi) Rate of stock turnover (times)



- vii) Accounts receivable's collection period (in days)
- viii) Accounts payable's collection period (in days)

(8 x 2 points = 16 marks)

- b) State the effect (increase or decrease) in the following scenarios that will have upon the accounts receivable and accounts payable:

| No.  | Scenario  | Collection/Settlement Period (Days) | Turnover Rate (times) |
|------|---|-------------------------------------|-----------------------|
| (i)  | Slow in collecting the debts from accounts receivable |                                     |                       |
| (ii) | Pay the accounts payable before the credit terms      |                                     |                       |

(4 marks)

**[Total 20 marks]**

**END OF QUESTION PAPER**