

BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Subject Code & Name : **DBM1402 ACCOUNTING 1**
 Semester & Year : MAY – AUGUST 2016
 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 of Hospitality 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 of Hospitality.

Total Number of pages = 9 (Including the cover page)

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.

Simon Technology Solutions, a service provider of computer engineering has not maintained its business records properly. Henceforth, Simon requested the assistance of Khoo Accounting Consultancy to complete the transactions by journalising the following transactions for the month of December 2015. The first transaction has been journalised as an example. Narrative is not required for every business transaction.

- a) Simon made a credit sales amounting to \$15,000 to Moonwood Group of Hotels

Dr	Accounts Receivable – Moonwood Group of Hotels	\$15,000
Cr	Sales	\$15,000

- b) The business has not been able to meet its short term liabilities and Simon decided to put in additional capital of \$75,000 from his personal saving.
- c) Purchased stock consists of computer accessories and peripherals of \$5,000 on 45 days' credit term from Data Frame Ltd.
- d) Performed service for customers and received cash of \$2,600. The money received was immediately bank into the bank.
- e) Paid \$3,850 for an amount owing to Tech Mobile since August 2015. The amount included the interest charges of \$350 Imposed by Tech mobile due to overdue payment.
- f) Paid the following expenses incurred for the month of December 2015: Utilities of \$240, stationery of \$350 and motor expenses of \$550.
- g) Simon managed to secure a monthly servicing contract with Way REIT and earned \$5,500 on account for the month of December 2015.
- h) Paid insurance premium of \$2,400 commencing from 1 December 2015 till 30 November 2016. The insurance was to cover against fire policy for his warehouse. The prepaid has not been recorded neither adjusted at the end of the month.
- i) Simon has not paid the wages of \$2,500 for part time technicians who performed on two days' contract job.
- j) The depreciation charge for office equipment the month of December 2015 was provided at \$550.
- k) On 30 December, Simon returned the damaged computer accessories worth \$1,300 which was bought on account from Data Frame Ltd.

[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

At 30 April 2015, the following Trial Balance was extracted from the books of Nigella Worthington:

Nigella Worthington
Trial Balance as at 30 April 2015

	\$	\$
Bank	8,600	
Cash	410	
Office Equipment at cost	11,600	
Accumulated depreciation of office equipment		5,800
Wages and salaries	23,300	
Purchases and sales	67,200	113,400
Carriage inwards	315	
Allowance for doubtful debts		500
Rent expenses	3,600	
Motor vehicles at cost	9,725	
Accumulated depreciation of motor vehicles		1,945
Insurance	560	
Return inwards and return outwards	2,835	1,050
Stationery expenses	1,640	
Discount allowed and discount received	2,000	1,400
Drawings	19,500	
Stock - 1 May 2014	10,750	
Electricity expenses	1,370	
Capital		46,310
Debtors and Creditors	19,400	12,400
	182,805	182,805

Additional information as at 30 April 2015:-

- 1) Closing stock as at 30 April 2015 was valued at cost of \$12,518.
- 2) The allowance for doubtful debts is to be adjusted at 3% of closing debtors.
- 3) Depreciation of motor vehicle is to be provided at 20% on straight line basis.
- 4) Depreciation of office equipment is to be provided at 25% using the reducing balance method.
- 5) Accrued insurance of \$560 for the month of April 2015 has yet to be adjusted.
- 6) Prepaid electricity bill of \$120.
- 7) A rent expense of \$300 was wrongly taken up in stationery expenses. This amount has yet to be adjusted as at end of April 2015.

Required

Prepare the following:-

- a) A Statement of Comprehensive Income for the year ended 30 April 2015. (11 marks)
- b) A Statement of Financial Position as at 30 April 2015. (9 marks)

[Total 20 marks]

QUESTION 2

The following ledger balances appeared in the books of M Woo for April 2015:-

	Dr (\$)	Cr (\$)
Sales Ledger balances at 1 April	25,020	
Purchases Ledger balances at 1 April		18,120

The following information was also available:-

	\$
Credit purchases	233,000
Credit sales	304,700
Discount allowed	760
Discount received	580
Return outwards	2,220
Return inwards	14,640
Payment to credit suppliers	202,020
Receipts from credit customers	283,220
Cheque received from debtors was dishonoured	550
Reimbursement of legal fees charge to credit customers	1,200
Transfer of balance from Sales Ledger to Purchases Ledger	660
Bad debts	240

Required

In the books of M Woo for April 2015, prepare:-

- a) Purchases Ledger Control Account (7 marks)
- b) Sales Ledger Control Account (10 marks)
- c) State **THREE (3)** advantages of preparing Control Accounts. (3 marks)

[Total 20 marks]

QUESTION 3

Part A

On 31 December 2015, Richard Tsang had the following balances:-

	\$
Motor vehicle	32,000
Accumulated depreciation	15,000

On 1 December 2015, he sold the delivery vehicle which was purchased in 2013 for a cash consideration of \$12,000. The transaction had not been recorded in the book as at 31 December 2015.

Required

- a) Prepared the disposal of motor vehicle accounts as at 31 December 2015. (6 marks)
- b) List **FOUR (4)** causes of depreciation. (2 marks)

Part B

Accounting principles and assumptions are the rules and guidelines that companies must follow when reporting the financial statements. Describe any **THREE (3)** of the accounting assumptions and principles:

- a) Economic entity concept
- b) Cost principle
- c) Going concern concept
- d) Revenue recognition
- e) Time period

(12 marks)

[Total 20 marks]

QUESTION 4

The Star Trading company discloses the following information for the month of August 2015:-

<u>Date</u>	<u>Bought</u>	<u>Date</u>	<u>Sold</u>
1 Aug	Beginning stock 1,500 units @\$4.50	10 Aug	1,300 units @\$6.50
11 Aug	1,400 units @\$4.75	15 Aug	1,500 units @\$7.00
20 Aug	1,300 units @\$5.00	27 Aug	800 units @\$8.00

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