

BERJAYA BUSINESS SCHOOL**FINAL EXAMINATION**

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **BGN1306 ACCOUNTING**
Trimester & Year : May – August 2018
Lecturer/Examiner : FARIDAH HANUM AMRAN
Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
PART A (20 marks) : Answer ONE (1) compulsory question. Answers and workings are to be written in the Answer Booklet provided.
PART B (80 marks) : Answer FOUR (4) out of FIVE (5) short answer questions. Answers and workings 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 = 7 (Including the cover page)

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.

Larversky Sdn Bhd extracted the following Trial Balance at 31 May 2018:

Larversky Sdn Bhd		
Trial Balance as at 31 May 2018		
	\$	\$
Stock at 1 June 2017	41,600	
Carriage outwards	2,100	
Carriage inwards	3,700	
Return inwards	1,540	
Return outwards		3,410
Purchases	188,430	
Sales		380,400
Salaries and wages	61,400	
Warehouse rent	3,700	
Insurance	1,910	
Motor expenses	412	
Office expenses	894	
General expenses	245	
Lighting and heating expenses	1,356	
Premises	92,000	
Motor vehicles	13,400	
Fixtures and fittings	1,900	
Debtors	42,560	
Creditors		31,600
Cash at bank	5,106	
Drawings	22,000	
Capital		68,843
	484,253	484,253

Additional information at 31 May 2018:

- i. Closing stock was valued at \$53,250
- ii. Salaries and wages owing \$790
- iii. Insurance prepaid \$300.
- iv. A general expense of \$150 was wrongly taken up in motor expenses. This amount has yet to be adjusted as at end of May 2018.
- v. The allowance for doubtful debts is to be adjusted at 1% of closing debtors.
- vi. Depreciation is to be provided as follows:
 - Fixtures and fittings and Premises – 10% using the straight line method.
 - Motor vehicles – 15% using the reducing balance method.

Required

Prepare the following:-

- a) A Statement of Comprehensive Income for the year ended 31 May 2018.
- b) A Statement of Financial Position as at 31 May 2018.

(11 marks)

(9 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

The following information has been extracted from the books of Syikin Styler Sdn Bhd:

Balances at 1 May 2018:	Dr (\$)	Cr (\$)
Purchases Ledger Control Account		260,308
Sales Ledger Control Account	796,104	

Transactions for the month of May 2018:

	\$
Credit sales	418,680
Cash sales	32,040
Cheque payments to creditors	115,876
Credit purchases	138,466
Goods returned by debtors	4,734
Cash purchases	2,160
Debtor's cheque dishonoured	1,350
Discount allowed	6,588
Goods returned to creditors	2,088
Bad debts written off	3,780
Discount received	2,566
Cheques received from debtors	379,692
Legal fees reimbursed to debtors	10,800
Interest charged to debtors	4,500
Transfers of debit balances in sales ledger to purchases ledger	22,500

The allowance for doubtful debts is to be maintained at 2% of debtors at 31 May 2018.

Required

a) Prepare the following control accounts:-

- Purchase Ledger Control Account for the month of May 2018. (7 marks)
- Sales Ledger Control Account for the month of May 2018. (11 marks)

b) Prepare as at 31 May 2018, a Statement of Financial Position extract showing the balance for debtors' and creditors' figures under the headings of Current Assets and Current Liabilities.

(2 marks)

[Total 20 marks]

QUESTION 2

Anita Salwah Sdn Bhd provides for depreciation of its motor vehicle at 15% per annum on cost; for each month of ownership.

The following was extracted from Anita Salwah Sdn Bhd motor vehicle:

1 February 20x5	Purchased motor vehicle A costing \$4,100 by cheque.
1 November 20x5	Purchased motor vehicle B costing \$3,600 by cash.
1 October 20x7	Purchased motor vehicle C costing \$4,300 by bank loan.
30 September 20x8	Sold motor vehicle A for the sum of \$2,310.

Required:

a) Prepare the following accounts, for each of the years ended 31 December 20x5, 20x6, 20x7 and 20x8:

- | | | |
|-------|--|------------|
| (i) | Motor Vehicles Account | (6 marks) |
| (ii) | Accumulated Depreciation of Motor Vehicles Account | (10 marks) |
| (iii) | Disposal of Motor Vehicle Account | (2 marks) |

b) List **FOUR** (4) causes of depreciation.

(2 marks)

[Total 20 marks]

QUESTION 3

Maria Arina started business on 2 January 2015 buying and selling a single product. Below are the details of purchases and sales for the year of 2016 after one year commencing the business.

Date	Details	Unit	Purchase Price (\$)	Selling Price (\$)
	Opening			
January	Balance	50	14.50	
February	Purchases	25	16.70	
April	Purchases	15	17.50	
May	Sales	35		44.50
October	Purchases	10	15.00	
November	Sales	45		50.50

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) (5 marks)
 - (ii) Last In, First Out (LIFO) (5 marks)
 - (iii) Weighted Average Cost (5 marks)
- b) Compare the results of the **THREE** (3) inventory methods in a tabular format and determine the gross profit for each of the methods. Indicate which method produces the lowest gross profit. (5 marks)

[Total 20 marks]

QUESTION 4

Steven & Co operates a retail business. The following are the financial statements for the last two years.

Steven & Co**Statement of Comprehensive Income for the year ended 30 September 2014 and 2015**

	2014		2015	
	\$ '000	\$ '000	\$ '000	\$ '000
Sales		400		560
Cost of sales		(300)		(420)
Gross profit		100		140
Less: expenses				
Administrative expenses	76		92	
Debenture interest			8	
		(76)		(100)
Net profit		24		40

Steven & Co**Statement of Financial Position as at 30 September 2014 and 2015**

	2014		2015	
	\$ '000	\$ '000	\$ '000	\$ '000
Non-Current Assets at cost less depreciation		220		280
Stock	40		60	
Debtors	50		56	
Bank			10	
	90		126	
Creditors	30		24	
Short term loan	20		-	
	(50)	40	(24)	102
		260		382
8% Debentures				(100)
		260		282
Ordinary share capital		200		200
Retained profit		60		82
		260		282

Stock at 1 October 2013 was \$100,000.

Required

Calculate correct to **TWO (2) decimal places** the following ratio for each of the two years 2014 and 2015. Show all workings.

- (i) Gross profit as a percentage of sales
- (ii) Net profit as a percentage of sales
- (iii) Return on the capital employed at the year end
- (iv) Acid test ratio
- (v) Rate of average stock turnover (times)

(20 marks)

[Total 20 marks]

QUESTION 5

Mia Ahmad records her bank and cash transactions in a 3-column Cash Book. On 1 July 2017, she had a cash balance of \$300 and a bank overdraft of \$600. The following transactions took place during July 2017:

July	Details
2	Received cheque from Jenny for \$200 in full settlement of her account.
3	Issued cheque of \$160 being rent for the month of July 2017.
9	Cash sales \$1,100
10	Cash withdrawal from bank \$300 for business use.
11	Paid \$500 cash for utilities bill.
14	Mia withdrew \$400 in cash for personal use.
16	Paid Ellie \$190 by cheque in full settlement of a debt of \$210.
21	Jenny's cheque for \$200 returned by bank marked 'refer to drawer'.
22	Made a cash sales of \$1,000 which was paid straight into the bank.
23	Received the following cheques from the debtors, in each case deducting 2% cash discount:-
	- Tommy in full settlement of his balance of \$2,100.
	- Jasper in full settlement of his balance of \$600
24	Purchased goods for cash, \$40.
26	Issued cheque to the following creditors, in each case deducting 3% cash discount:-
	- Cherry in full settlement of her balance of \$500.
	- Janine in full settlement of his balance of \$800.
31	Paid salaries by cheque, \$1,500.

Required

Write up the 3-column Cash Book for the month of July 2017, carrying down the balances.

[Total 20 marks]

END OF QUESTION PAPER