



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **ACC1124 ACCOUNTING 2**
 Trimester & Year : MAY-AUGUST 2019
 Lecturer/Examiner : Nur Afiqah
 Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
 PART A (20 marks) : Answer ALL TWENTY (20) MULTIPLE CHOICE questions. Answers are to be written in the Answer Booklet provided.
 PART B (80 marks) : Answer FOUR (4) short answers 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.

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

PART B : SHORT ANSWER QUESTIONS (80 MARKS)

INSTRUCTION (S) : There are **FOUR (4)** questions in this section, answer **FOUR (4)** questions. Write your answers in the Answer Booklet(s) provided.

QUESTION 1

The following information was extracted from the transactions of Transformasi Tepat Berhad (TTB) as at 31 October 2018:

	RM
Cash and cash equivalents, 1 November 2017	55,200
Cash and cash equivalents, 31 October 2018	(36,000)
Cash paid to acquire plant assets	32,000
Proceeds from short-term borrowing	30,000
Loans made to borrowers	6,000
Collections on loans of investment	5,000
Cash received from issuance of stock	50,000
Cash paid for operating expenses	128,100
Cash received from interest at bank	4,600
Dividends received from investment	27,000
Cash received from customers	1,000,500
Proceeds from sales of plant assets	10,000
Share dividends paid to shareholders	75,000
Cash paid to suppliers	550,000
Cash paid to employees	285,000
Income tax paid	81,000
Cash paid to bank for interest	7,200
Cash paid to bank to repay earlier loan	10,000
Debenture Interest paid	29,000
Cash paid for equipment	15,000

Required:

a) Prepare the Statement of Cash Flows for the year ended 31 October 2018 for TTB using the direct method. [16 marks]

b) Explain **TWO (2)** purposes of preparing the Statement of Cash Flows.

[4 marks]

[Total: 20 marks]

QUESTION 2

The comparative Statement of Financial Position for Bold Corporation

BOLD CORPORATION
Comparative Statement of Financial Position
December 31

	<u>2018</u>	<u>2017</u>
	RM	RM
Assets		
Current assets	69,000	77,000
Property, plant, and equipment (net)	91,500	87,000
Intangibles	<u>30,500</u>	<u>37,000</u>
Total assets	<u>191,000</u>	<u>201,000</u>
Liabilities and stockholders' equity		
Current liabilities	37,800	45,000
Long-term liabilities	138,000	147,000
Stockholders' equity	<u>15,200</u>	<u>9,000</u>
Total liabilities and stockholders' equity	<u>191,000</u>	<u>201,000</u>

Required:

- a) Prepare a horizontal analysis of the statement of financial position data for Bold Corporation using 2017 as a base. [12 marks]
- b) Prepare a vertical analysis of the statement of financial position for Bold Corporation in columnar form for 2018. [8 marks]

[Total: 20 marks]

QUESTION 3

Asyraf, Baasit and Chun formed a partnership on 2 April 2017. Asyraf and Baasit injected cash of RM50,000 each while Chun contributed cash of RM15,000 and a van valued at RM20,000. The following is the information for each of the partners for the year ended 31 March 2018:

	Asyraf		Baasit		Chun	
Drawings	6 Oct 2017 2 Feb 2018	RM1,800 RM6,000	8 Oct 2017	RM9,000	5 April 2017	RM8,000
Current account	RM 36,478		RM 40,780		RM 25,860	
Monthly salaries	RM 4,000		RM 4,000		RM 2,800	
Interest on drawings	5%		5%		5%	
Interest on capital	8%		8%		5%	
Interest on loan	10%		10%		10%	

Additional information:

1. Profit for the year ended 31 March 2018 is RM254,000. The profit is apportioned in the ratio of 4:4:2 to Asyraf, Baasit and Chun respectively. However, the profit is excluded the expenses for depreciation amounting to RM13,400.
2. The partnership borrowed RM15,800 cash from Baasit on 30 September 2017 in order to launch their new product line.
3. On 1 December 2017, Chun introduced an additional cash capital of RM8,400.

Required:

a) Prepare an appropriation account for the year ended 31 March 2018. [17 marks]

b) State **THREE (3)** characteristics of a partnership. [3 marks]

[Total: 20 marks]

QUESTION 4

Kane and Jeffrey were partners in a retail business, sharing profits and losses in the ratio of 3 : 2. Their balance sheet as at 31 December 2018 was as follows:

Kane and Jeffrey
Statement of Financial Position As At 31 December 2018

	RM	RM
<i>Non-current assets</i>		
Premises		29,000
Furniture and fittings		39,000
		<u>68,000</u>
<i>Current assets</i>		
Inventory	4,000	
Accounts receivable	3,500	
Cash at bank	1,300	
	<u>1,300</u>	<u>8,800</u>
		<u><u>76,800</u></u>

<i>Capital accounts</i>	
Kane	36,400
Jeffrey	36,400
	<hr/> 72,800
Accounts payable	4,000
	<hr/> <hr/> 76,800

They decided to admit Bryan as a partner with effect from 1 January 2019. Bryan was required to contribute capital of RM 70,000 by cheque and the new profit and loss sharing ratio for Kane, Jeffrey and Bryan was 3 : 2 : 2.

On 1 January 2019, the following assets were revalued to: premises RM 65,000; furniture and fittings RM 61,000; inventory RM 3,600. An allowance was to be made for doubtful accounts at 4% of accounts receivable.

Goodwill was valued to be RM 30,000. As the partners in the new partnership did not wish to maintain a goodwill account, the goodwill amount was to be written off against the new partners' capital accounts.

Required:

- a) Draw up the revaluation account and the partners' capital accounts (in columnar form). [12 marks]
 - b) Prepare the Statement of Financial Position after the admission of Bryan. [8 marks]
- [Total: 20 marks]**

END OF QUESTION PAPER