

FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **ACC1114 ACCOUNTING 1**
 Semester & Year : MAY-AUGUST 2020
 Lecturer/Examiner : Nur Afiah
 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. Answers are to be written in the Answer Booklet provided.**
 - 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) problem solving 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 = 11 (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.

QUESTION 1

The following balances were extracted from the books of Sakeena a sole trader on 31 December 2020.

The Trial Balance as at 31 December 2020

	Debit	Credit
	RM	RM
Capital		100,000
Drawings	7,740	
Land	93,900	
Fixtures	3,000	
Accumulated depreciation for fixtures		900
Vehicles at cost	42,000	
Accumulated depreciation for motor vehicles		12,600
Purchases and sales	57,000	92,000
Stocks as at 1st January 2020	23,000	
Account receivables and account payables	15,100	9,871
Allowance for doubtful debt		1,100
Discount allowed and discount received	210	150
Insurance	2,300	
Salaries and wages	15,100	
Utilities	871	
Stationeries	220	
Bank	1,100	
Cash	80	
10% Loan from RHB Bank (repayable in 2025)		45,000
	<u>261,621</u>	<u>261,621</u>

Adjustments to be considered:

- i. Stock as at 31 December was valued at RM 11,210.
- ii. Accrued salaries was RM 1,200.
- iii. Prepaid insurance was RM 100.
- iv. Fixtures and vehicles are depreciated at 15% and 20%. Both are using straight-line method.
- v. Interest on loan accrued RM 4,500.
- vi. Allowance for doubtful debts is to be reduced to RM 980.

Required:

- a. Prepare the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2020. (10 marks)
 - b. Prepare the Statement of Financial Position as at 31 December 2020. (10 marks)
- [Total: 20 marks]**

END OF PART B

PART C**: PROBLEM SOLVING QUESTIONS (60 MARKS)****INSTRUCTION (S)**

: Answer **THREE (3)** OUT OF **FOUR (4)** questions. Answers are to be written in the Answer Booklet provided.

Question 1

Nice Enterprise is a retail shop owned by Mary. Below is its cash book for the month of August 2020.

Cash Book

2020		RM	2020		RM
Aug-01	Balance b/d	8,248	Aug-02	Raj	2,000
Aug-05	Mazar Trading	800	Aug-10	Lee	10,500
Aug-12	Gemilang Sdn Bhd	9,768	Aug-12	Kai	1,600
Aug-18	Amin & Co	8,968	Aug-15	Meena	20,000
Aug-25	Bright Enterprise	9,600	Aug 17	Salary	4,000
Aug-30	Sales	3,560	Aug 20	Dahlia	20,000
Aug-30	Balance c/d	17,156			
		<u>58,160</u>			<u>58,160</u>
			Sep -1	Balance b/d	17,156

However, on 6th September, Mary received a bank statement from the bank for the month of August and it was found that the balance of her cash book and the bank statement was different.

Bank Statement

2019		Dr (RM)	Cr (RM)	Balance (RM)
	Balance b/d			8,248
Aug 4	Cheque	2,000		6,248
Aug 8	Deposit		800	7,048
Aug 6	Cheque	10,500		3,452(dr)
Aug 12	Deposit		8,968	5,516
Aug 13	Salary	4,000		1,516
Aug 14	Bank Giro credit: Zam		3,560	5,076
Aug 23	Direct debit: Mee		600	5,676
Aug 24	Bank charges	400		5,276
Aug 31	Interest		200	5,476

Required:

- a. Update the cashbook and bank reconciliation statement as at 31 August 2020. (14 marks)
- b. Explain **THREE (3)** reasons of differences between bank statement and bank book. (6 marks)

[Total: 20 marks]

Question 2

- a. The Following information relates to the material purchases and sales for the month of August.

01 August	Purchased 50 units at RM31.
06 August	Purchased 200 units at RM 35.
08 August	Sales 180 units.
15 August	Purchased 150 units at RM 37.50.
25 August	Sales 110 units.
28 August	Purchased 100 at RM 38.

Required:

Calculate the cost of goods sold and closing stock for the month of August using the following methods:

- i. First in first out (7 marks)
- ii. Last in first out (8 marks)
- iii. Average method (5 marks)

[Total: 20 marks]

Question 3

a. Below are the cash transactions prepared by Sunshine Enterprise for the month of May 2020.

01-May-20	Balances brought forward: Cash RM 400, Bank RM 3,200.
04-May-20	Paid utilities by cash RM 240.
05-May-20	Cash sales amounting RM 3,500.
08-May-20	Paid RM 2,100 by cheque for purchases.
10-May-20	The business transfer RM 1,500 cash to the bank account.
15-May-20	Withdrew RM 150 from bank account for personal use.
20-May-20	Owner deposited RM 1,000 to bank account.
22-May-20	Received cheques from outstanding receivables for accounts totals as follows: Jarrod RM 410, Fira RM 214 and Sara RM 119, in each case allowing a discount of 2.5 %.
24-May-20	Paid insurance of RM 250 by cash.
27-May-20	Paid cheques to payables for accounts totals as follows: Ramy RM 80, Chong RM 75 and Ayman RM 130, in each case allowing a discount of 3 %.

Required:

Prepare the three-column cashbook and balance it off at the end of May 2020. (15 marks)

b. Identify **FIVE (5)** accounting information users. (5 marks)

[Total: 20 marks]

Question 4

Farish, a sole trader bought two assets which are machinery and equipment. Below are the details for each asset. The accounting year end for the company is on 31 December 2019:

Machinery- The business bought the asset on 1 January 2019 for RM 100,000 by cheque. The machinery was estimated to last for 10 years and the scrap value is RM 1,000 using straight line method.

Equipment- The business bought the asset on 1 February 2019 for RM 50,000. Depreciation was charged at the rate of 10% per annum using reducing balance method.

Required:

- a. Calculate the depreciation charges and the net book value for both assets from year 1 to year 10. (15 marks)
- b. Record the first year's journal entries for the two categories of assets purchased and the depreciation charged. (5 marks)

[Total: 20 marks]

END OF QUESTION PAPER