



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Subject Code & Name : **DGN 1306 ACCOUNTING**
Trimester & Year : September - December 2016
Lecturer/Examiner : Ms. Faridah Hanum Amran
Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 3 parts:
 - PART A (20 marks) : TWENTY (20) multiple-choice questions. Answer ALL questions in the Answer Booklet(s) provided.
 - PART B (20 marks) : ONE (1) compulsory type question. Answer ALL questions in the Answer Booklet(s) provided.
 - PART C (60 marks) : FOUR (4) sub-question type. Answer any THREE (3) questions in the Answer Booklet(s) provided.
2. Candidates are not allowed to bring any unauthorized 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 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 = 7 (Including the cover page)

PART B : COMPULSORY QUESTION (20 MARKS)

INSTRUCTION(S) : ONE (1) compulsory type question. Answer ALL questions in the Answer Booklet(s) provided.

Question 1

a. Prepare journal entry for each of the following transactions:

Date	Transaction
Jan 2	An amount of RM 62,000 was paid as advance rent for three months.
Jan 3	Paid RM120,000 cash on the purchase of equipment costing RM 160,000. The remaining amount was recognized as a one year note payable.
Jan 4	Purchased office supplies from XYZ Bhd. costing RM 35,200 on credit.
Jan 13	Provided services to its customers and received RM 57,000 in cash.
Jan 13	Paid XYZ Bhd. on the office supplies purchased on January 4.
Jan 14	Paid RM 38,200 wages to its employees.
Jan 18	Provided RM 70,100 worth of services to its customers. They paid RM 54,900 and promised to pay the remaining amount.
Jan 23	Received RM 15,200 from customers for the services provided on January 18.
Jan 25	Received RM 8,000 as an advance payment from customers.
Jan 26	Purchased office supplies costing RM 9,500 from JayJay Bhd.
Jan 31	Paid electricity bill of RM 4,470.
Jan 31	Paid telephone bill of RM 2,894.
Jan 31	Paid JayJay Bhd half from the amount owed.
Jan 31	Miscellaneous expenses paid totaled RM 3,470

(20 Marks)

[Total: 20 Marks]

END OF PART B

PART C : SUB- QUESTIONS (60 MARKS)

INSTRUCTION(S) : FOUR (4) sub-question type. Answer any THREE (3) questions in the Answer Booklet(s) provided.

QUESTION 1

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

<u>Date</u>	<u>Bought</u>	<u>Date</u>	<u>Sold</u>
	Beginning stock 3,000 units		
1 Dec	@\$2.30	10 Dec	2,600 units @\$3.20
11 Dec	2,800 units @\$3	15 Dec	3,000 units @\$3.50
20 Dec	2,600 units @\$4.50	27 Dec	800 units @\$8.00

Required

Calculate the cost of the ending inventory and the cost of goods sold using the following methods:-

- First In, First Out (FIFO)
- Last In, First Out (LIFO)
- Weighted Average Cost

[Total 20 marks]

QUESTION 2

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

	Dr (\$)	Cr (\$)
Sales Ledger balances at 1 December	7,632	
Purchases Ledger balances at 1 December		7,780

The following information was also available:-

	\$
Credit purchases	9,872
Credit sales	12,686
Discount allowed	596
Discount received	730
Return outwards	190
Return inwards	1,328
Payment to credit suppliers	7,240
Receipts from credit customers	14,180
Cheque received from debtors was dishonoured	58
Reimbursement of legal fees charge to credit customers	600
Transfer of balance from Sales Ledger to Purchases Ledger	660
Bad debts	612

Required

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

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

[Total 20 marks]

Question 3

A lorry was purchased at a cost of RM 257,000. It is expected to be used for 12 years and carry zero salvage value at the end of its useful life.

- a. Calculate the net book value of the lorry for the first two years of its useful life using straight line method depreciation.
(6 Marks)
- b. If the company was adopting reducing balance method at 7% depreciation rate, calculate the first two years the lorry net book value.
(6 Marks)
- c. Briefly discuss why any company requires providing depreciation for its assets.
(4 Marks)
- d. Provide journal entry for depreciation and purchasing assets.
(4 Marks)

[Total: 20 Marks]

Question 4

At 31 December 2016, the following Trial Balance was extracted from the books of Ashley Woodland:

Ashley Woodland
Trial Balance as at 31 December 2016

	\$	\$
Bank	1,720	
Cash	82	
Office Equipment at cost	2,320	
Accumulated depreciation of office equipment		1,160
Wages and salaries	4,660	
Purchases and sales	13,440	22,680
Carriage inwards	63	
Allowance for doubtful debts		100
Rent expenses	720	
Motor vehicles at cost	1,945	
Accumulated depreciation of motor vehicles		389
Insurance	112	
Return inwards and return outwards	567	210
Stationery expenses	328	
Discount allowed and discount received	400	280
Drawings	3,900	
Stock - 1 May 2014	2,150	
Electricity expenses	274	
Capital		9,262
Debtors and Creditors	3,880	2,480
	36,561	36,561

Additional information as at 31 December 2016:-

- 1) Closing stock as at 31 December 2016 was valued at cost of \$2503.60.
- 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 \$112 for the month of 31 December 2016 has yet to be adjusted.
- 6) Prepaid electricity bill of \$24.
- 7) A rent expense of \$60 was wrongly taken up in stationery expenses. This amount has yet to be adjusted as at end of December 2016 2015.

Required

Prepare the following:-

- a) A Statement of Comprehensive Income for the year ended 31 December 2016. (11 marks)
- b) A Statement of Financial Position as at 31 December 2016. (9 marks)

[Total 20 marks]

END OF MARKING SCHEME