



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **ACC1513 ACCOUNTING**
 Semester & Year : SEPTEMBER-DECEMBER 2019
 Lecturer/Examiner : NUR AFIQAH
 Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

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

QUESTION 1

Kameela is a sole trader of bicycle shop called Quick Sports. The following is the trial balance as at 31 December 2018.

Quick Sports
Trial Balance As At 31 December 2018

	Debit (RM)	Credit (RM)
Capital		184,210
Account receivables	110,000	
Account payables		86,000
Land and building at net book value	200,000	
Stock as at 1 January 2018	15,400	
Loan from Bank		120,000
Purchases	88,800	
Sales		164,000
Carriages	2,100	
Maintenance	5,000	
Salaries expenses	13,700	
Cash at bank	12,000	
Cash in hands	2,110	
Discounts	400	600
Van at net book value	100,000	
Insurance	600	
Utilities	2,050	
Rent received		5,600
Allowance for doubtful debts		1,300
Bad debts	550	
Interest on loan	9,000	
	561,710	561,710

The following adjustments need to be considered:

- i. Stock as at 31 December 2018 was valued RM 21,100.
- ii. RM600 from the carriage expense was carriage inwards.
- iii. Bad debts recovered RM 3,100 has not been recorded.
- iv. Insurance expense included RM 200 prepaid which was for the next accounting period.
- v. Accrued maintenance RM 1,000.
- vi. Depreciation is to be provided for as follows:
 - a) Land and building- 2% on reducing balance method.
 - b) Van- 20% on reducing balance method.
- vii. Allowance for doubtful debt is to be reduced by RM 200.

Required:

- a. Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2018.
(10 marks)
 - b. Statement of Financial Position as at 31 December 2018.
(10 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

a. List **THREE (3)** uses of cashbook. (3 marks)

b. Enter the following transactions in the three-column cash book of Nabeel Enterprise.

1 Jan Balances brought forward:

Cash RM 2, 220 (Dr)

Bank RM 1,200 (Cr)

2 Jan Cash sales RM 1,000 to Zach.

3 Jan The following receivables paid their accounts by cheque each deducting a 2% cash discount:
Laila RM 330, Chong RM 800 and Rasyeed RM 600 (all amounts before discount).

4 Jan Paid the following expenses by cash:

Utility-RM 221

Maintenance –RM 80

5 Jan Paid salaries by cheque RM 1,500.

6 Jan The company paid the following accounts by cheque, in each case deducting a 3% cash discount: Lew RM 250, Zai RM 360 and Kai RM 425 (all amounts before discount).

8 Jan Transferred RM 400 cash to the bank account.

15 Jan Bought stationery RM 100, paying cash.

20 Jan Cash sales RM 1,100 from Hoon.

28 Jan Received cheque RM 500 for rental income from Chee Enterprise.

(17 marks)

[Total: 20 marks]

QUESTION 2

Bank reconciliation is the process of matching the balances in an entity's accounting records for a cash account to the corresponding information on a bank statement

- a. Explain the importance of bank reconciliation. (4 marks)
- b. Discuss **TWO (2)** errors affecting trial balance and **TWO (2)** errors not affecting trial balance. (8 marks)

Accounting concept refers to the basic assumptions and rules and principles which work as the basis of recording of business transactions and preparing accounts.

- c. Describe the following accounting concepts:
 - i. Monetary
 - ii. Going concern
 - iii. Materiality
 - iv. Historical cost

(8 marks)

[Total: 20 marks]

QUESTION 3

Nini Trading closed its accounts on 31 July every year and provides for depreciation of their non-current assets as follows:

Lorry at 20% straight line method (purchased on 1 January 2018)

Furniture at 10% straight line method (purchased on 1 June 2018)

Machinery at 10% reducing balance method (purchased on 30 June 2018)

The information of assets by Nini Trading is as follows:

	Lorry	Furniture	Machinery
	RM	RM	RM
Cash price	80,000	50,000	12,500

All payments were made by cheques.

*Round the amount to the nearest.

Required:

- a. Prepare the above non-current assets accounts for 2018 and 2019. (5 marks)
- b. Prepare the depreciation account and Accumulated Depreciation accounts for the above assets for the year ended 2018 and 2019. (The company is following month to month basis) (12 marks)
- c. Define capital and revenue expenditure and provide **ONE (1)** example for each of the expenditure. (3 marks)

[Total: 20 marks]

QUESTION 4

Below are the inventory transactions for ABC Enterprise which just started its business on 1st March 2019.

1	March	Purchased	100 units at RM 20.00
2	March	Purchased	200 units at RM 21.00
5	March	Sales	120 units
10	March	Purchased	200 units at RM 21.50
11	March	Sales	150 units
16	March	Sales	80 units

Assume the sales price for the above item is RM 30 per unit.

- a. Calculate the cost of goods sold and the closing stock using each of the following methods:
 - i. First in first out (5 marks)
 - ii. Last in first out (5 marks)
 - iii. Weighted average (4 marks)

- b. Calculate the gross profit for each method calculated above for month of March.

(6 marks)

[Total: 20 marks]

QUESTION 5

The following are the financial statements (extract) for Silver Enterprise:

Silver Enterprise

Statement of Profit or Loss and Other Comprehensive Income (Extract) for The Year Ended 2018

	RM	RM	RM
Sales			89,000
Opening stock	15,400		
purchases	57,500		
Carriage inwards	<u>1,020</u>		
Coast of goods available of sales		73,920	
less closing stock		<u>(11,200)</u>	
			<u>62,720</u>
gross profit			26,280
Other revenue			<u>4,250</u>
			30,530
Operating Expenses			39,685
Net loss			(9,155)

Silver Enterprise
Statement Financial Position (Extract) As At 31 December 2018

Building	122,760	
Vehicle	<u>81,000</u>	203,760
Current assets		
Account receivables	77,855	
Bank	11,200	
Closing stock	<u>11,200</u>	<u>100,255</u>
		304,015
Current liabilities		
Payables	56,000	
Accruals	<u>5,700</u>	61,700

Required:

Compute and comment on each of the following ratios for Silver Company:

- | | |
|---|-----------|
| a. Current Ratio | (4 marks) |
| b. Acid test ratio | (4 marks) |
| c. Average Inventory Turnover Ratio (no of times) | (4 marks) |
| d. Account Receivables Collection Period | (4 marks) |
| e. Account payables Settlement/ Collection Period | (4 marks) |

[Total: 20 marks]

END OF PART B

END OF QUESTION PAPER