



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **ACC1124 ACCOUNTING 2**
Semester & Year : SEPTEMBER-DECEMBER 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 = 10 (Including the cover page)

PART B : SHORT ANSWER QUESTIONS (80 MARKS)

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

QUESTION 1

The following information was extracted from the transactions of Sky Berhad as at 30 September 2019.

	RM
Depreciation expense	24,000
Amortization expense	22,200
Issuance of common stock	210,000
Amortization of bond premium	7,000
Amortization of bond discount	13,500
Cash dividends paid	37,200
Increase in inventory	87,000
Decrease in accounts receivable	137,400
Decrease in accounts payable	55,200
Retirement of long-term debt	240,000
Net loss	30,000
Proceeds from sale of equipment (RM 16,000 loss)	126,000
Purchase of equipment	168,000
Cash and cash equivalents, beginning of year	400,000

Required:

- Prepare a statement of cash flows using the indirect method. (16 marks)
- Explain **TWO (2)** purposes of preparing the Statement of Cash Flows. (4 marks)

[Total: 20 marks]

QUESTION 2

Platinum Berhad
Statement of Comprehensive Income For The year Ended 30 October 2018

	2018	2017	2016	2015
	RM	RM	RM	RM
Net Sales	12,079,500	10,904,020	9,116,120	6,725,820
<u>Cost of Goods</u>	7,146,140	6,271,460	5,233,420	3,806,960
Gross Profit	4,933,360	4,632,560	3,882,700	2,918,860
<u>Expenses</u>				
Selling, General and Administrative	4,443,080	3,698,200	2,869,720	2,153,980
Income from Operations	490,280	934,360	1,012,980	764,880
Other Income (expenses):				
Interest and other income	28,940	39,020	54,500	28,820
<u>Interest Expense</u>	(20,360)	(27,980)	(24,640)	(27,140)
Income Before Income Taxes	498,860	945,400	1,042,840	766,560
<u>Income Tax Provision</u>	204,000	363,980	397,200	324,160
Net Income	294,860	581,420	645,640	442,400

Required:

- a. Prepare the vertical analysis for the above company. (16 marks)
- b. List **TWO (2)** users of financial statement analysis. Explain why the financial statement analysis is important to them. (4 marks)

[Total: 20 marks]

QUESTION 3

Mutiara and Naj were partners, sharing profits and losses in the ratio of 3 : 2. Their statement of financial position as at 31 January 2019 is as follows:

Mutiara and Naj
Statement of Financial Position As At 31 January 2019

	RM	RM
Non-current assets		
Office equipment at NBV		40,000
Machinery at NBV		30,000
		70,000
Goodwill		25,000
		95,000
Current assets		
Inventory	10,000	
Accounts receivable	7,500	
Bank	<u>9,000</u>	<u>26,500</u>
		121,500
Current Liabilities		
Accounts payable		11,500
Owner's equity		
Capital: Mutiara	60,000	
Naj	<u>50,000</u>	<u>110,000</u>
		121,500

On 1 February 2019, Ong was admitted to the partnership. He was required to contribute RM 40,000 as capital. The new profit and loss sharing ratio for Mutiara, Naj and Ong was 3 : 2 : 1, respectively.

Upon Ong's admission, office equipment was to be revalued to RM 42,500, machinery to RM 25,000 and goodwill to RM 30,000. No goodwill account was to be kept.

Required:

- a. Draw up the revaluation accounts. (3 marks)
- b. Draw up the partners' capital accounts. (7 marks)
- c. Prepare the Statement of Financial Position as at 1 February 2019. (10 marks)

[Total: 20 marks]

QUESTION 4

Areeq, Biela and Camelia were in partnership sharing profits and losses in the ratio of 2:3:5. The summarised Statement of Financial Position as at 31 December 2018 was as follows:

Areeq, Biela and Camelia
Statement of Financial Position as at 31 December 2018

	RM	RM
Assets		
Plant and machinery at NBV		258,000
Office equipment at NBV		269,000
Inventories		184,000
Trade receivables		81,000
Cash at bank		4,400
		796,400
Liabilities		
Loan from Areeq	120,000	
Loan from Biela	100,000	
Trade payables	100,400	
Accrued expenses	23,000	343,400
Owner's equity		
Capital accounts:		
- Areeq	356,000	
- Biela	44,000	
- Camelia	24,000	424,000
Current accounts:		
- Areeq	28,600	
- Biela	13,000	
- Camelia	(12,600)	29,000
		796,400

As profits of the partnership had been declining, the partners decided to dissolve the partnership on 1 January 2019.

On the date of dissolution, Areeq took over all the office equipment as full settlement of his loan to the partnership while Camelia took over half of the inventories at RM 23,000. Biela has called the customers to make payment and received RM 72,200 after deducting the uncollectible amount of RM8,800. All agreed that the amount collected would be used as part of the clearing of her loan to the partnership.

For dissolution part, all the remaining assets were sold for RM 571,400 and all the liabilities were settled by cheque. Cash discounts amounting to RM 1,440 were allowed by suppliers and realization expenses of RM 9,840 were paid.

For the purpose of dissolution, all the balances of the partners' current accounts were to be transferred to their respective capital accounts before any adjustment was to be made.

Required:

Prepare the following accounts of the partnership to record the above:

- a. realisation account (8 marks)
 - b. cash at bank account (6 marks)
 - c. the partners' capital accounts in columnar form (6 marks)
- [Total: 20 marks]**

END OF QUESTION PAPER