



**BERJAYA BUSINESS SCHOOL**

**FINAL EXAMINATION**

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_  
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Course Code & Name : **ACC1014 ESSENTIALS OF ACCOUNTING**  
 Semester & Year : SEPTEMBER – DECEMBER 2019  
 Lecturer/Examiner : JAMES LIOW  
 Duration : 2 Hours

**INSTRUCTIONS TO CANDIDATES**

1. This question paper consists of 2 parts:
  - PART A (30 marks) : THIRTY (30) Multiple-choice questions. Answers are to be written in the Answer Booklet provided.
  - PART B (70 marks) : FOUR (4) problem solving questions. Answers are to be written in the Answer Booklet 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 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****: PROBLEM SOLVING QUESTIONS (70 MARKS)****INSTRUCTION(S)**

: There are **FOUR (4)** problem solving questions. Answer **ALL** questions in the Answer Booklet(s) provided.

**QUESTION 1**

The following trial balance was extracted from the books and records of Elwood Trading as at 31 December 2019:

	\$	\$
Bank loan (repayment 2021)		22,000
Capital at 1 January 2019		56,050
Plant and equipment (at cost)	17,900	
Accumulated depreciation - Plant & equipment		8,950
Motor vehicle (at cost)	43,390	
Accumulated depreciation - Motor vehicle		17,356
Inventory at 1 January 2019	14,500	
Trade receivables	2,960	
Trade payables		1,565
Other payables		590
Sales		382,620
Purchases	225,460	
Cash at bank	12,450	
Cash in hand	150	
Drawings	55,000	
Stationery expenses	1,565	
Upkeep of motor vehicle	1,240	
Utilities expenses	13,650	
Wages and salaries	96,106	
Insurance expenses	4,560	
Interest expenses	200	
	<b>489,131</b>	<b>489,131</b>

Additional information:

- (i) Stock at 31 December 2019 is \$58,608
- (ii) Depreciation charge for the year is as follows:
  - Plant & equipment – \$1,790
  - Motor vehicle – \$8,678

**Required**

Prepare the following:

- a) A Statement of Profit and Loss for the year ended 31 December 2019. (8 Marks)
- b) A Statement of Financial Position as at 31 December 2019. (*you are required to present 3-column statement*) (9 Marks)
- c) Name any **THREE (3)** examples of capital expenditures. (3 marks)

**[Total 20 marks]**

## QUESTION 2

Following transactions relate to Electro Traders for the month of September 2019:

Date		\$
01	Cash b/d	7,700
01	Bank b/d	25,400
02	Babur paid his account by cheque after deducting 5% cash discount of \$490	9,310
07	Cash sales	15,000
08	Paid by cheque to Faakhir, after deducting 2.5% cash discount of \$300	11,700
11	Withdrawn from bank for business use	5,000
13	Bank loan obtained	35,000
15	Cheque drawn for personal expenses	17,500
16	Abubakar paid his account by cheque deducting 2.5% cash discount of \$240	9,399
25	Wages paid in cash	18,500
26	Office rent paid by cheque	15,200
28	Saahir paid his account by cheque net of 5% cash discount of \$650	12,350
29	Computer purchased paying by cheque	4,485
30	Paid by cheque to Ahmed less 5% cash discount of \$570	10,830

### Required

- a) Write up a three-column cash book and balance it off at the end of the month. (14 marks)
- b) On 4 October 2019, Electro Traders received a bank statement for the month of September 2019 and noted that the difference balance between the bank statement and cash book is due to the following unpresented cheques:
- Computer purchase of \$4,485
  - Payment to Ahmed of \$10,830
  - Payment received from Abubakar of \$9,399
  - Payment received from Saahir of \$12,350

### Required

- Prepare a bank reconciliation statement as at 30 September 2019. (6 marks)
- [Total 20 marks]

## QUESTION 3

Briefly explain any **TWO (2)** of the accounting assumptions and principles, and provide an example each:

- a) Monetary unit
- b) Time period
- c) Substance over form
- d) Prudence
- e) Full disclosure

[Total 10 marks]

**QUESTION 4**

Ahmad Trading began operations on 1 January 2019. It uses a perpetual inventory system. During the year of 2019, the company had the following purchases and sales:

<b>Bought</b>		<b>Sold</b>	
March	100 at \$16 each	December	130 at \$24 each
September	220 at \$19 each		

From the following figures above calculate the closing stock in trade that would be shown using:

- a) First In and First Out (7 Marks)
- b) Last In and First Out (7 Marks)
- c) Average Cost Method (6 Marks)

**[Total 20 Marks]**

**END OF QUESTION PAPER**