



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **ACC1014 ESSENTIALS OF ACCOUNTING**
 Semester & Year : SEPTEMBER – DECEMBER 2020
 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 = 11 (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

Linda Tang runs a small souvenir shop located at the major tourist attraction. The following list of balances extracted from her ledger as at 30 June 2020:

Trial Balance as at 30 June 2020		
	RM	RM
Capital		77,055
Drawings	1,800	
Purchases	11,880	
Inventory, 1 July 2019	6,500	
Sales		50,195
Cash	6,135	
Bank		6,030
Accounts payable		9,450
Rent	450	
Wages	1,440	
Accounts receivable	6,120	
Fixtures and fittings	13,500	
Machinery	85,000	
Stationery expenses	1,250	
maintenance expenses	3,750	
Salaries	2,070	
Carriage outwards	1,260	
Carriage inwards	900	
General expenses	675	
	142,730	142,730

Closing inventory as at 30 June 2020 was valued at RM4,800.

Required

Prepare the following:

- A Statement of profit or loss for the year ended 30 June 2020. (8 Marks)
- A Statement of financial position as at 30 June 2020. (6 Marks)
- Name any **THREE (3)** examples of capital expenditures and **THREE (3)** examples of revenue expenditures. (6 marks)

[Total 20 marks]

QUESTION 2

Prepare journal entry for each of the following transactions:

Date	Transactions
2 Jan	Jamie commenced his business by contributing the initial capital of RM50,000 cash. He then opened a bank accounts under the name of Jamie Trading.
5 Jan	Purchase inventory for RM10,000 from Ah Chong on 30 days credit term.
7 Jan	Sold goods for RM15,000 to Sea Trading on credit term.
10 Jan	Cash sales was made for the goods delivered to customers amounting to RM1,200. The cash was to be kept at the business premises for petty cash purposes.
18 Jan	Bought stationery of RM100 cash from Ah Bee Supplies.
24 Jan	Received RM12,000 cheque from the accounts receivable, Sea Trading.
26 Jan	Jamie withdrew RM5,000 from the bank for his personal expenses.
27 Jan	Payment was made to accounts payable, Ah Chong by issuing a cheque of RM8,000.
30 Jan	Purchase a second hand motor vehicle of RM5,000 to be used in delivery of goods from Tan Cheng Bhd. The payment will be settled by next month.
31 Jan	A cheque of RM2,500 being the payment for salaries for the month were paid to employees.

Note: Narratives are not required.

[Total 20 marks]

QUESTION 3

Match the following accounting principles and assumptions with the statement below:

Cost principle	Going concern
Full disclosure	Time period
Dual aspect	Separate entity
Revenue recognition	Money measurement
Matching principle	Prudence concept

- (i) A company has bought a property for RM1 million in year 2013 but now the property has appreciated to RM5 million. The company has recorded the property at RM1 million.
- (ii) Owner's personal assets are not recorded in the books of his business.
- (iii) An entity included a disclosure notes describing a lawsuit it is defending even though the suit has yet to be settled.
- (iv) An entity records revenue when products are delivered and services being rendered, even though cash has yet to be received.
- (v) Business is expected to remain in operations indefinitely.
- (vi) Profits should not be overstated and loss must not be understated.
- (vii) An entity shows all expenses related to its revenue of a period even though the expenses have not been paid in that period.
- (viii) The entity has decided the financial period starts from 1 January and ending 31 December.
- (ix) Only items with a monetary value are included in the financial statements.

- (x) There are two sides to accounting, one represented by the assets and the other represented by the liabilities and capital.

[Total 10 marks]

QUESTION 4

Ahmad is a sole trader who keeps record of his cash and bank transactions in a three-column cashbook. The balance in the cash book as at 1 January 2020 were: cash RM12,680 and bank overdraft of RM30,980.

The following are the transactions made in January 2020:

Date	Details
2 Jan	Received a cheque from a customer, Lung who was given a cash discount of 2.5% to settle his account of RM150,000. The cheque was banked on the same day.
5 Jan	Paid a 20% deposit by cheque for the purchase of a motor van costing RM100,000. The balance was to be paid on delivery two weeks later.
7 Jan	Cash amounting RM8,790 from sales were deposited into the bank directly.
17 Jan	Ahmad withdrew RM3,200 from the cash box to pay his son's school fees.
19 Jan	Paid the balance of the motor van purchased on 5 January by cheque.
24 Jan	Settled Kam Kee's account of RM3,500 by cheque with a cash discount of 3%.
28 Jan	Withdrew RM10,000 from the bank and put the money in the cash box for business use.
29 Jan	Received a cheque from Tang Lin of RM200,000.
30 Jan	Paid wages of RM10,000 in cash and RM20,000 by cheque.
31 Jan	Paid the following accounts by cheque: Oliver of RM3,000 and Johnny of RM2,500. Both taking the cash discount of 2%.

Required:

- a) Prepare a three-column cash book for January 2020. (12 marks)
- b) On 4 February 2020, Ahmad received a bank statement for the month of January 2020 and noted that the balance in the bank statement shown an overdraft of RM152,190. After going through the cash book, the differences can be explained by the following cheques:
- Payment to Kam Kee of RM3,395
 - Payment to Oliver and Johnny amounting to RM2,940 and RM2,450 respectively.
 - Payment received from Tang Lin of RM200,000.

Required

Prepare a bank reconciliation statement as at 31 January 2020 (Reconcile from the cash book amount to bank statement amount). (8 marks)

[Total 20 Marks]

END OF QUESTION PAPER