

**FACULTY OF BUSINESS**

**FINAL EXAMINATION**

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_  
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Course Code & Name : **ACC1133 ACCOUNTING**  
 Semester & Year : SEPTEMBER – DECEMBER 2021  
 Lecturer/Examiner : JAMES LIOW  
 Duration : 2 Hours

**INSTRUCTIONS TO CANDIDATES**

1. This question paper consists of 3 parts:
  - PART A (20 marks) : Answer all TWENTY (20) multiple choice questions and shade your answers in the provided space with 2B pencil.
  - PART B (20 marks) : Answer ONE (1) compulsory question. Answers are to be written in the Answer Booklet provided.
  - PART C (60 marks) : Answer THREE (3) out of FOUR (4) short answer questions. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment and calculator 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.

**PART B : COMPULSORY QUESTION (20 MARKS)**

**INSTRUCTION(S) :** There is **ONE** (1) question in this section. Write your answers in the Answer Booklet(s) provided.

Michael Jetson operates medium size groceries shop that sells varieties of groceries items. As he did not maintain a proper accounting systems, he requested his friend to record the business transactions by journalising the business entries.

**Required**

Prepare the journal entries of the below transactions. Narrative is not required for every business transaction. Clearly indicate the correct accounts name, accounts receivable or accounts payable.

The first transaction has been journalized as an example.

*Michael made a credit sales amounting to RM15,000 to X Seafood Trading*

<b>Transaction</b>	<b>Dr (RM)</b>	<b>Cr (RM)</b>
Accounts Receivable – X Seafood Trading	15,000	
Sales		15,000

<b>No.</b>	<b>Transaction</b>
(i)	Recorded the credit purchase of grocery items for resale of RM45,000 from Alpha Enterprise. Term is 1% cash discount if paid within one month.
(ii)	Made a sales of RM32,000 to Beta Trading. RM22,000 cheque was received and the remaining balance to be receivable next month.
(iii)	Michael issued a cheque amounting to RM1,200 being the freight charges incurred for hiring a freight forwarder to transport the goods to the warehouse.
(iv)	Michael took out cash of RM500 to pay for his personal expenses.
(v)	Michael decided to pay RM45,000 an amount owing to Alpha Enterprise by issuing a cheque and at the same time taking the advantage of a cash discount of 1%.
(vi)	Beta Trading returned a batch of goods worth RM350 because the goods did not meet the standard specifications.
(vii)	Michael made a purchase worth RM2,000 from Sylvia Wholesale on a 30-day credit term.
(viii)	Michael returned the damage goods worth RM240 to Sylvia Wholesale upon receiving the goods.
(ix)	Insurance expenses of RM2,000 was still owing at month end.
(x)	It was discovered that Michael's insurance coverage of RM500 was wrongly taken up as insurance of the business.

**[Total 20 marks]**

**END OF PART B**

**PART C : SHORT ANSWER QUESTIONS (60 MARKS)**

**INSTRUCTION(S) :** There are **FOUR** (4) questions in this section, answer only **THREE** (3) questions. Write your answers in the Answer Booklet(s) provided.

**QUESTION 1**

Ken Trading extracted the following Trial Balance from his books on 31 March 2021:

	<b>RM</b>	<b>RM</b>
Bank	24,580	
Purchases	186,410	
General expenses	740	
Return inwards/return outwards	320	142
Cash in hand	182	
Furniture and fittings, at cost	12,500	
Motor vehicle, at cost	10,200	
Maintenance expenses	6,780	
Discount allowed/discount received	940	584
Sales		250,965
Accounts payable		5,130
Insurance expenses	11,700	
Stock at 1 April 2020	5,805	
Wages and salaries	28,310	
Drawings	10,100	
Accumulated depreciation:		
- Furniture and fittings		3,750
- Motor vehicle		2,040
Utilities expenses	1,780	
Allowance for doubtful debts		320
Accounts receivable	13,760	
Capital		51,176
	<b>314,107</b>	<b>314,107</b>

Additional information as at 31 March 2021:

- (i) Stock RM7,100.
- (ii) Insurance expenses prepaid RM230.
- (iii) Wages and salaries owing RM2,010.
- (iv) Utilities expenses owing RM450.
- (v) Allowance for doubtful debts to be maintained at 5% of the accounts receivable balance.
- (vi) Depreciation is to be provided as follows:
  - Furniture and fittings, 10% using the straight-line method
  - Motor vehicles, 20% using the reducing balance method

*(All amounts are to be rounded to the nearest Ringgit)*

**Required**

- a) Statement of profit or loss for the year ended 31 March 2021. (9 marks)
- b) Statement of financial position as at 31 March 2021. (11 marks)

**[Total 20 Marks]**

**QUESTION 2**

The following information for the month of February 2021 was extracted from the ledgers of Lotus Supplies:

<b>At 1 February 2021:</b>	<b>RM</b>
Purchases ledger control	16,428 credit balance
Sales ledger control	27,066 debit balance

**For the month ended 28 February 2021:**

	<b>RM</b>
Credit Sales	162,384
Discounts received	3,630
Bad debts written off	526
Credit Purchases	142,570
Returns inwards	6,600
Discounts allowed	5,220
Cheques received from credit customers	147,543
Returns outwards	3,210
Payments by cheque to credit suppliers	122,413
Debit balances in sales ledger transferred to purchases ledger	1,035
Legal expenses charged to credit customer's account	270
Customer's cheque dishonoured	1,128

**Required**

- a) Prepare for the month of February 2021:
  - (i) Purchases ledger control account (7 marks)
  - (ii) Sales ledger control account (9 marks)

- b) State the sources of the information included in the sales ledger control account and the purchases ledger control account. Present your answer as shown below. The first has been done as an example.

<b>Entry</b>	<b>Source</b>
<i>Credit sales</i>	<i>Sales day book</i>
Credit purchases	
Cheques received from credit customers	
Returns inwards	
Bad debts	

(4 marks)

**[Total 20 Marks]**

### QUESTION 3

Anthony Supplies owns a factory that manufactures and sells bakery related products. During the financial year ended 30 June 2021 the business incurred the following items of expenditure:

- (i) Utilities and maintenance expenses incurred in the factory.
- (ii) Salaries and wages including over time payment paid to the employees.
- (iii) Purchase a new machine to replace the existing machine which was purchased 10 years ago.
- (iv) Carriage inwards incurred for transporting the new machine from Port Klang to the factory.
- (v) Installation costs incurred for the new machine before it can be fully operationalised.
- (vi) Payment to insurance company for coverage of fire and liability insurance.
- (vii) Purchase a new delivery van as the sales volume has increased.
- (viii) Acquired and paid for a piece of land adjacent to the factory.
- (ix) Payment of legal fees for drafting the sales and purchase agreement for the purchase of the land.
- (x) Payment of monthly maintenance fees for the upkeep and repair of machine and its components.

#### Required

- a) List the above numbers (i) to (x) in your answer book booklet and against each number state whether the related expenditure is either **revenue** or **capital**. (5 marks)

- b) 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	Substance over form

- (i) Xcell Bhd bought a motor vehicle under bank hire purchase arrangement. The transaction is recorded in the book although the legal title of the motor vehicle is still with the bank.
- (ii) Xcell Bhd make a sales of RM10,000 in the month of September 2021 and the commission expenses incurred amounted to RM1,000 is to be recorded in the same month although the commission will only be paid in the following month.
- (iii) Accounts should be recorded separately between the owner and its owner.
- (iv) The payment made to acquired goods and services of RM40,000 should be recorded at its invoice price.
- (v) The financial statements of Xcell Bhd at the US plant are measured in US Dollars.
- (vi) Xcell Bhd recorded the expenses by debiting the relevant expense accounts and crediting the cash accounts.
- (vii) The financial statements of Xcell Bhd are prepared on a monthly basis.
- (viii) The financial statements of Xcell Bhd for year ended 2021 disclosed the inventory policy.
- (ix) The business is considered capable of continuing its operation for the foreseeable future and is not expected to go out of business unless an evidence proves otherwise.
- (x) Revenue must be recognised and recorded in the accounting period when it is earned.

(15 marks)

**[Total 20 Marks]**

**QUESTION 4**

Shopy Bhd began operations on 1 September. It uses a perpetual inventory system. During the month of September 2021, the company had the following data for purchases and sales:

<b>Date</b>	<b>Purchases</b>	<b>Issued</b>
1 Sept	50 units @ RM120.00	
6 Sept		45 units
11 Sept	70 units @ RM136.00	
14 Sept		30 units

**Required**

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

- a) First In, First Out (FIFO) (7 marks)
- b) Last In, First Out (LIFO) (7 marks)
- c) Weighted average cost (*Average unit cost to be rounded to 2 decimal places*) (6 marks)

**[Total 20 Marks]**

**END OF QUESTION PAPER**