



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **ACC1513 ACCOUNTING**
Semester & Year : SEPTEMBER – DECEMBER 2022
Lecturer/Examiner : JAMES LIOW
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.

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

The Trial Balance extracted from the books of accounts of Blueco Enterprise as at 31 March 2022 is given below:

	RM	RM
Capital		82,670
Drawings	57,500	
Office equipment	20,500	
Motor vehicles	4,500	
Accumulated depreciation as at 1 April 2021:		
- Office equipment		3,750
- Motor vehicles		2,000
Inventory as at 1 April 2021	6,200	
Accounts receivable	56,500	
Allowance for doubtful debts		1,250
Accounts payable		18,800
Discount allowed/discount received	3,500	12,000
Return inwards/return outwards	6,800	9,400
Cash at bank	950	
Sales		250,000
Purchases	180,000	
Carriage inwards	3,200	
Carriage outwards	4,500	
Rent expenses	10,700	
Insurance expenses	3,920	
Stationery	2,800	
Maintenance expenses	400	
Salaries and wages	25,600	
	387,570	387,570

Additional information:

- (i) The details of the property, plant and equipment, its useful line and the method of depreciation are listed below:

	%	Basis
Office equipment	10	Straight line
Motor vehicles	20	Reducing balance

- (ii) The following accrued and prepayment as at 31 March 2022 are to be accounted for:
- Prepaid insurance of RM2,500
 - Accrued salaries and wages of RM8,600
 - Received RM12,500 in advance from customers has been wrongly included as sales
- (iii) A trade receivable balance of RM5,000 as at 31 March 2022 from Perera Trading was decided to be written-off as bad debt. Allowance for doubtful debts of 5% should be provided on accounts receivable balance at the end of the year.
- (iv) The drawings of RM3,500 was wrongly debited to the purchases account.
- (v) Closing inventory as at 31 March 2022 was valued at RM7,400.

Required

Prepare the following statements for the financial year ended 31 March 2022:

- a) Statement of profit or loss (9 marks)
- b) Statement of financial position (11 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

The following balances were extracted from the books of Poon Trading on 1 September 2022:

	RM
Sales ledger	27,066
Purchases ledger	16,428
Allowance for doubtful debts	1,270

In the month of September 2022, the following transactions were made:

	RM
Interest charged to accounts receivable for late payment	600
Debit balance on sales ledger transferred to purchase ledger	3,300
Cash purchases	7,275
Accounts receivable's cheque dishonoured	1,200
Legal fees for debt collection charged to credit customer's account	200
Sales on credit	89,700
Credit purchases	64,430
Returns outwards to credit suppliers	2,530
Returns inwards from credit customers	1,060
Cash sales	12,670
Discounts allowed	870
Discounts received	600
Bad debts written off	315
Payments to credit suppliers	54,360
Receipts from credit customers	84,910

The allowance for doubtful debts was to be adjusted to 3% of accounts receivable at 30 September 2022.

Required

Prepare the following for the month of September 2022:

- a) Purchase ledger control accounts. (5 marks)
- b) Sales ledger control accounts. (7 marks)
- c) Statement of financial position extract showing the balance for accounts receivable, accounts payable and working capital. (3 marks)
- d) Calculate the amount to be charged as doubtful debts in the profit or loss. Indicate whether the amount is increase/decrease and debit/credit to profit or loss. (2 marks)

- e) Name **THREE** (3) book of original entry besides sales day book and purchase day book. (3 marks)
[Total 20 marks]

QUESTION 2

Lin Yee Enterprise commenced his retail business on 1 January 2019 and acquired the motor vehicle for the running of its business:

Year	Details	RM
2019	Mitsubishi GX	75,000

No other addition and disposal were made during 2019.

For the year ended 31 December 2021, the motor vehicle which was purchased in 2019 were disposed and replaced with another lower consumption motor vehicle. The following information relating to the motor vehicle for the year ended 31 December 2021 is as follows:

Date	Details	RM
1 Sept	Payments for Toyota Delco – Purchase costs	90,000
	– Registration and inspection fees	2,000
31 July	Cash proceeds from sale of Mitsubishi GX	36,500

Depreciation on motor vehicle is to be provided at a rate of 20% per annum using the reducing balance method. Full year depreciation is calculated in the year of purchase but none in the year of sale.

Required

- a) Prepare the following accounts for the year ended 31 December 2021:
- (i) Motor vehicle (6 marks)
 - (ii) Accumulated depreciation of motor vehicle (6 marks)
 - (iii) Disposal of motor vehicle (5 marks)
- b) List **TWO** (2) causes of depreciation. (2 marks)
- c) Name **ONE** (1) depreciation method besides reducing balance. (1 mark)

[Total 20 marks]

QUESTION 3

Sim Trading uses a perpetual inventory system. The following information of the opening balance, purchases and sales are extracted from the warehouse systems for the month of March 2022:

Date	Opening Balance	Purchase	Issue
1 March	10 units @ RM120.00		
10 March		50 units @ RM125.00	
15 March			35 units
21 March		20 units @ RM130.00	
26 March			10 units

The selling price of the unit sold is set at RM180.00 per unit.

Required

- a) Calculate the cost of the ending inventory and the cost of goods sold using the following methods:
 - (i) First In, First Out (FIFO) (5 marks)
 - (ii) Last In, First Out (LIFO) (5 marks)
 - (iii) Weighted average cost (*Average unit cost to be rounded to 2 decimal places*) (5 marks)
- b) Compare the results of the three inventory methods in a tabular format and determine the gross profit for each of the methods. (4 marks)
- c) Based on the information in part (b) above, state which method produces the lowest gross profit. (1 mark)

[Total 20 marks]

QUESTION 4

Mr Frankie owned Perfect Trading (PT). Following transactions relate to Perfect Trading for the month of March 2022:

Date	Details	RM
1 Mar	Cash in hand, brought down	7,700
	Cash at bank, brought down	25,400
2 Mar	Received from Energy Enterprises by cheque after deducting 5% cash discount.	9,310
7 Mar	PT made a cash sales.	15,000
8 Mar	Accounts payable, Faakhir Supplies was paid by cheque, after deducting 2.5% cash discount.	11,700
11 Mar	Frankie withdrew from bank for business use.	5,000
13 Mar	Frankie managed to secure a business loan from SEM Bank Berhad.	35,000
15 Mar	Frankie drew a cheque for his own personal use.	17,500
16 Mar	One of the accounts receivable, Abu Hassan paid his accounts by cheque deducting 2.5% cash discount.	9,800
18 Mar	Paid stationery by cash	560
25 Mar	Paid salaries and wages in cheque.	25,000
26 Mar	Frankie withdrew cash for his personal use	12,000
27 Mar	Office rent paid by cheque.	12,000
28 Mar	Accounts payable, Zakir Supplies paid by cheque net of 5% cash discount.	10,580
29 Mar	Bought office equipment paying by cheque.	5,800
31 Mar	Received from SF Enterprise by cheque less 5% cash discount.	11,550

Note:

- All cash discount amounts are pre-discount.
- All amounts are to be rounded to the nearest Ringgit.

Required

- a) Write up the 3-column cash book for the month of March 2022. Balance the cash book and bring down the balances at 1 April 2022. (13 marks)

As at 31 March 2022, cash book of Perfect Trading shows a debit bank balance of RM3,013 which is different from the bank statement balance.

Examination of the records revealed the following reasons for the said difference:

- (i) The bank has charged a loan interest of RM350.
- (ii) Cheque book charges of RM50.00
- (iii) Direct deposit of RM10,000 into the bank account by a credit customer has not been recorded in the cash book.
- (iv) Following deposited cheques were not realised during the month:
 - Cheque received from Energy Enterprises on 2 March 2022
 - Cheque received from SF Enterprise on 31 March 2022
- (v) Following issued cheques were not presented for payments:
 - Cheque paid to Zakir Supplies on 28 March 2022
 - Cheque paid for office equipment on 29 March 2022

Required

- b) Based on the information obtained from the bank statement, update the cashbook for the month of March 2022. (3 marks)
- c) Perform the bank reconciliation statement as at 31 March 2022. (4 marks)

[Total 20 marks]

QUESTION 5

JG Bhd has a retail business. The following is a summary of its financial statements for the last two years.

Statement of Profit or Loss for the year ended		
	2021	2022
	RM'000	RM'000
Sales	170,000	210,000
Opening stock	13,800	16,400
Add purchases	92,800	114,000
Less Closing stock	(16,400)	(19,900)

Cost of sales	90,200	110,500
Gross Profit	79,800	99,500
Less Expenses	(46,700)	(55,700)
	33,100	43,800
Interest expenses	(12,000)	(13,500)
Net Profit	21,100	30,300

Statement of Financial Position as at		
	2021	2022
	RM'000	RM'000
Non-current assets		
Machine	66,000	70,900
Fixture & fittings	23,000	38,700
	89,000	109,600
Current assets		
Stock	16,400	19,900
Accounts receivable	9,800	12,700
Bank	5,840	-
Cash	1,860	150
	33,900	32,750
	122,900	142,350
Equity and liabilities		
Equity		
Share capital	97,500	97,500
Retained profit	8,700	17,300
	106,200	114,800
Current liabilities		
Accounts payable	16,700	24,800
Bank overdraft	-	2,750
	16,700	27,550
	122,900	142,350

Required

- a) Calculate correct to **TWO** (2) decimals place the following ratios for each of the two years 2021 and 2022. Show all workings.
- Gross profit margin
 - Net profit margin
 - Return on the capital employed (net profit before interest)
 - Current ratio
 - Acid test ratio

- (vi) Rate of stock turnover (times)
- (vii) Accounts receivable's collection period (in days)
- (viii) Accounts payable's collection period (in days)

(16 marks)

- b) Comment on the change in the firm's liquidity and profitability, and state **TWO** (2) reasons each for the change.

(4 marks)

[Total 20 marks]

END OF QUESTION PAPER