UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
JULY 2024 SEMESTER

COURSE CODE	:	EEB10303
COURSE NAME	:	BUSINESS ACCOUNTING
PROGRAMME NAME	:	BACHELOR OF BUSINESS ADMINISTRATION (HONS) INTERNATIONAL BUSINESS
DATE	:	23 SEPTEMBER 2024
TIME	:	2.00 PM – 5.00 PM
DURATION	:	3 HOURS

INSTRUCTIONS TO CANDIDATES

1. **Please CAREFULLY read the instructions given in the question paper.**
2. **This question paper has information printed on both sides of the paper.**
3. This question paper consists of **FIVE (5)** questions.
4. Answer **ALL** questions.
5. Please write your answers on the answer booklet provided.
6. All questions must be answered in **English** (any other language is not allowed).
7. **This question paper must not be removed from the examination hall.**

THERE ARE SIX (6) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

(Total: 100 marks)

INSTRUCTION: Answer ALL questions.
Please use the answer booklet provided

Question 1

Comparative financial statements for Puteri Enterprise are presented below:

Statement of Profit or Loss for the year ended …. (extract)

	30 June 2024		30 June 2023	
	RM	RM	RM	RM
Sales		360,000		320,000
Less: Cost of sales				
Opening stock	48,000		28,000	
Add: Purchases	294,000		268,000	
Less: Closing stock	(26,000)	(316,000)	(16,000)	(280,000)
Gross Profit		**44,000**		**40,000**
Less: Expenses		(16,000)		(25,000)
Net Profit		**28,000**		**15,000**

Statement of Financial Position as at …. (extract)

	30 June 2024		30 June 2023	
	RM	RM	RM	RM
Non-Current Assets				
Property, plant and equipment		80,000		100,000
Current Assets				
Stock	26,000		16,000	
Receivable	20,000		12,000	
Cash	42,000	88,000	18,000	46,000
Total Assets		**168,000**		**146,000**

Owner's Equity				
Capital	100,000		100,000	
Net profit	28,000	128,000	15,000	115,000
Current Liabilities				
Payable		40,000		31,000
Total Equity And Liabilities		**168,000**		**146,000**

Required:

(a) Compute on the following ratios for the year 2024 and 2023:

i. Current ratio

ii. Acid test ratio

iii. Gross profit margin

iv. Net profit margin

(16 marks)

(b) Briefly explain the use of accounting ratio analysis to the following user groups of accounting information:

i. Potential investors

ii. Creditors

(4 marks)

[20 marks]

Question 2

The following are the balances extracted from the books of Dini Diyanah, a sole trader as at 31 December 2023.

Particulars	**Debit (RM)**	**Credit (RM)**
Motor vehicle	196,000	
Equipment	52,000	
Purchases	228,200	
Sales		803,900
Accounts receivable	142,500	
Accounts payable		61,000

Carriage inwards	4,280	
Return inwards	4,800	
Return outwards		5,400
Inventories (1 January 2023)	128,800	
Bank	59,600	
Repair expenses	4,240	
Salaries and wages	48,000	
Loan from BA Bank Berhad		60,000
Insurance	3,600	
Water and electricity	10,320	
Investment	200,000	
Commission received		9,600
Rent revenue		22,000
General expenses	7,000	
Capital		134,640
Drawing	7,200	
	1,096,540	**1,096,540**

Additional information:

i. Inventory valued as at 31 December 2023 was RM43,000.

ii. Allowance for receivable is estimated to be at 3% from the accounts receivable.

iii. Depreciation charges on non-current assets as at 31 December 2023 were as follows:
Motor vehicle RM19,600 per annum
Equipment RM10,400 per annum

iv. General expenses paid in advance amounting to RM250.

v. The following were outstanding as at 31 December 2023:
Rent revenue RM500
Water and electricity RM180

vi. Dini Diyanah withdrew RM500 worth of stock to be given as wedding present to her friend.

Required:

(a) Prepare the Statement of Profit or Loss for the year ended 31 December 2023.

(15 marks)

(b) Prepare the Statement of Financial Position as at 31 December 2023.

(10 marks)

[25 marks]

Question 3

(a) State the differences of Financial Accounting and Management Accounting based on the following basis:

i. Users
ii. Statutory/legal requirement
iii. Information time frame/focus
iv. Scope

(8 marks)

(b) Define the term Fixed Cost and Variable Cost.

(2 marks)

(c) Muslim Auto Sdn Bhd is an automobile manufacturer based in Melaka. Classify the following cost as either direct material, direct labour or manufacturing overhead.

i. Engine
ii. Factory rental
iii. Steering wheels
iv. Factory machine lubricants
v. Tires
vi. Salary of production manager
vii. Windshield
viii. Depreciation of factory machinery
ix. Wages of assembly line workers
x. Salary of painting supervisor

(5 marks)

[15 marks]

Question 4

NAD Sdn Bhd makes and delivers frozen *keropok lekor* to customers all over Malaysia. Currently, the frozen *keropok lekor* is sold at RM15 per pack.

Actual production and sales data for the month of January 2024 and February 2024 are as follows:

	January 2024 (units)	**February 2024 (units)**
Production	25,000	25,500
Sales	27,500	24,000

The standard cost of producing one pack of frozen *keropok lekor* is given below:

Cost items	**RM**
Direct material	3.00
Direct labour	2.00
Variable production overhead	2.50
Variable selling expenses	1.20
Fixed production overhead	3.00

The annual budgeted normal capacity is 100,000 packs. Fixed production costs are expected to be RM300,000 per annum, while fixed non-manufacturing costs are expected to be RM72,000 per annum. Fixed production overhead is absorbed based on normal capacity. Opening stocks of production on 1 January 2024 were 5,500 units.

Required:

(a) Prepare Statement of Profit or Loss for NAD Sdn Bhd for the month of February 2024 using:
   i. Marginal costing approach
   ii. Absorption costing approach

(14 marks)

(b) Justify the differences in profit between marginal costing and absorption costing in (a) above. (Support your answer with calculations).

(6 marks)

[20 marks]

Question 5

Lysanisha Sdn Bhd has just started its business. The company is producing and selling Blueberry Juice. Financial data concerning the company are as follows:

Selling price per bottle	RM30
Sales volume	7,500 bottles

Variable cost per bottle:

Direct material	RM10.00
Direct labour	RM3.00
Manufacturing overhead	RM2.00

Total fixed cost:

Rental	RM18,000 per annum
Salaries	RM30,000 per annum
Depreciation – Machinery	RM4,000 per annum
Miscellaneous expenses	RM8,000 per annum

Required:

(Each question is to be treated independently)

(a) Calculate the break-even point in bottles and in value (RM) for Lysanisha Sdn Bhd. Show all the workings.

(7 marks)

(b) Determine the margin of safety in bottles and in value (RM). Show all the workings.

(6 marks)

(c) If the company wishes a target net profit of RM75,000 while maintaining the current selling price and costs, find the new number of bottles of Blueberry Juice to be produced. Explain the significance of this figure to the management. Show all the workings.

(7 marks)

[20 marks]

END OF EXAMINATION PAPER