CONFIDENTIAL

UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
JULY 2024 SEMESTER

COURSE CODE	:	EIB10403
COURSE NAME	:	FINANCIAL ACCOUNTING
PROGRAMME NAME	:	BACHELOR OF BUSINESS ADMINISTRATION (HONS)
DATE	:	24 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 EIGHT (8) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

(Total: 100 marks)

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

Question 1

(a) Describe **THREE (3)** characteristic of sole proprietorship.

(6 marks)

(b) Explain the term "limited liability" in a limited company business.

(2 marks)

(c) Describe **TWO (2)** main user group of accounting information. Provide one example of each user.

(3 marks)

(d) Explain **TWO (2)** types of financial statements .

(4 marks)

[15 marks]

Question 2

Ariani owns a grocery shop in Kuala Lumpur. She started her business three (3) years ago and all the business transactions are recorded in Ringgit Malaysia. She prepares the business financial statement which covers a period of twelve (12) months and she ensures that the financial statement prepared is free from bias.

When she start-up the business, she has no intention to stop operation of her business. At the end of every month she usually took groceries for her family from her shop and record it as drawing.

An extract of the trial balance as at 31 December 2023 showed the following:

Items	Debit (RM)	Credit (RM)
Sales		10,500
Purchases	11,700	
Salaries and wages	5,500	
Interest expenses	1,050	
Inventories	3,200	
Investment	10,000	

Cash in hand	1,500	
Cash at bank	14,700	
Loan from CIMB		15,000
Capital		16,450
Account payable		2,700
Discount received		3,000

Required:

(a) Identify **FOUR (4)** accounting concepts applied on the above scenario.

(8 marks)

(b) Identify any **TWO (2)** Revenues and **TWO (2)** Expenses and the amount from the record above.

(4 marks)

(c) Identify the business's Asset, Liability, Owner's Equity and the amount from the record above.

(8 marks)

[20 marks]

Question 3

The following information has been extracted from the trial balance of Melati Enterprise as at 30 June 2024.

Trial Balance as at 30th June 2024

Accounts	**Debit (RM)**	**Credit (RM)**
Purchases and sales	437,020	494,300
Purchases and sales returns	2,330	2,700
Discounts	130	570
Capital		967,500
Drawings	2,220	
Trade receivables and trade payables	38,850	38,740
Land	833,920	
Motor vehicles	68,000	
Furniture and fittings	52,000	
Accumulated depreciation:		
Motor vehicles		6,800
Furniture and fittings		23,900
Inventory as at 1 July 2023	13,700	
Bad debts	3,270	
Carriage inwards	1,400	
Carriage outwards	3,500	
Rents	14,600	
Customs duties on purchases	2,030	
Salaries and wages	42,600	
Electricity and water	3,660	
Advertising	28,400	
Commission received		630
10% loan from OCBC Bank		41,100
Cash in hand	31,200	
Bank overdraft		2,590
Total	**1,578,830**	**1,578,830**

Additional information:

1. Inventory as at 30 June 2024 was RM32,600.

2. During the year, the owner took goods worth RM700 for her personal use. This was not recorded in the books.

3. Accrued expenses : Advertising RM1,280
   : Electricity and water RM 600

4. Depreciation on motor vehicles, furniture and fittings were RM6,800 and RM5,200 respectively.

5. Prepaid expenses : Salaries and wages RM2,700
   : Rent RM1,100

6. Bad debts of RM500 are to be written off.

Required:

(a) Prepare a Statement of Profit or Loss for the year ended 30 June 2024.

(18 marks)

(b) Prepare a Statement of Financial Position as at 30 June 2024.

(12 marks)

[30 marks]

Question 4

B- Motion enterprise has prepared the cash book as shown as at 31 October 2024:

Cashbook (Bank column)

2024		RM	2024		RM
	Balance b/d	19,030	4/10	Indah Bhd (Chq No: 300150)	350
3/10	Haris Sdn Bhd (Chq No: 420155)	500	7/10	Donatiom (Chq No: 300151)	255
11/10	Ilyana Bhd (Chq No: 530045)	5,350	13/10	Atikah (Chq No: 300152)	2,700
17/10	BeeTrading (Chq No: 210091)	1,305	14/10	Red Sdn Bhd (Chq No: 300153)	2,450
23/10	Lyna Ent (Chq No: 3000155)	3,420	19/10	Rental (Chq No: 300154)	600
30/10	Azaliah (Chq No: 721452)	5,320	27/10	Salary (Chq No: 300156)	4,500
			31/10	Balance c/d	24,070
		34,925			34,925

On 5th November 2024, B-Motion enterprise received a bank statement for the month of October 2024. The bank statement showed the following details:

Bank Statement for the month of October 2024

Date	Particulars	Payment	Receipt	Balance
Oct 1	Beginning balance			17,250 CR
7	Deposit -420155		500	17,750 CR
10	Cheque Clearing-300146	1,185		16,565 CR
11	Cheque Clearing-300150	350		16,215 CR
14	Deposit-530045		5,530	21,745 CR
15	Bank Charges	15		21,730 CR
16	Cheque Clearing-300149	815		20,915 CR

17	Cheque Clearing-300151	255		20,660 CR
19	Credit Transfer		570	21,230 CR
20	Deposit -210091		1,305	22,535 CR
21	Cheque Clearing-300153	2,540		19,995 CR
22	Standing Order	1,600		18,395 CR
24	Cheque Clearing-300154	600		17,795 CR
28	Direct Debits	350		17,445 CR
31	Credit transfer		530	17,975 CR

Additional information:

1. Cheque number 530045 was wrongly recorded in the bank statement as RM5,530 instead of RM5,350

2. B-Motion enterprise had wrongly recorded cheque number 300153 as RM2,450 instead of RM2,540

3. Payment to Lyna Ent was omitted from the bank statement and was wrongly recorded in the cash receipt journal.

Required:

(a) Adjust and prepare the updated cashbook for B-Motion.

(8 marks)

(b) Prepare a bank reconciliation statement as at 31 October 2024.

(7 marks)

[15 marks]

Question 5

Gayung Bhd is an investment company. During the year, they considering to invest in two companies namely HAP and SAD . The following are the financial statements for the year ended 30 June 2024 for the companies.

Statement of Profit or Loss for the year ended 30 June 2024

	HAP RM	SAD RM
Sales revenue	6,000,000	7,200,000
Less: Cost of Goods Sold	(4,560,000)	(5,616,000)
Gross profit	1,440,000	1,584,000
Less: Expenses: Operating expenses	(1,100,000)	(1,180,000)
Profit for the year	**340,000**	**404,000**

Statement of Financial Position as at 30 June 2024

	HAP RM	SAD RM
Non-Current Assets	790,000	1,000,000
Current Assets Inventories Accounts receivable Bank	 1,200,000 720,000 190,000	 1,800,000 1,200,000 -
Total Current Assets	2,110,000	3,000,000
Total Assets	**2,900,000**	**4,000,000**
Owner's Equity		
Capital at the beginning of the year	1,1160,000	1,756,000
Profit for the year	340,000	404,000
Capital at end of the year	1,500,000	2,160,000

Current Liabilities		
Accounts payable	400,000	1,000,000
Accruals	250,000	500,000
Short term trade financing loan	250,000	340,000
Total Current Liabilities	900,000	1,840,000
Non- Current Liabilities	500,000	-
Total Equities and Liabilities	**2,900,000**	**4,000,000**

Required:

Calculate and comment on the following ratios for both companies.

i. Gross profit margin (4 marks)

ii. Net profit margin (4 marks)

iii. Average collection period (4 marks)

iv. Current ratio (4 marks)

v. Quick ratio or Acid-test ratio (4 marks)

Note: Show all relevant workings and rounding up figure.

[20 marks]

END OF EXAMINATION PAPER