



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
MARCH 2024 SEMESTER**

COURSE CODE : EAB10503
COURSE NAME : FINANCIAL ACCOUNTING AND REPORTING 1
PROGRAMME NAME : BACHELOR IN ACCOUNTING (HONS)
DATE : 10 JULY 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)

Question 1

Siang and Malam are in partnership sharing profits and losses equally, after giving each partner 5% per annum interest on capital and annual salaries of RM30,000 to Siang and RM18,000 to Malam.

They have decided that as from the 1 July 2023 the profits and losses will be shared Siang 2/3 and Malam 1/3 after giving each partner 10% per annum interest on capital and annual salaries of RM36,000 to Siang and RM26,000 to Malam.

The financial statements are made up to the 31 December of each year.

The profit for the year ended 31 December 2023 was RM100,000 and this is believed to have accrued evenly over the year.

The following is the statement of financial position at the 31 December 2023 before the appropriation of the profit between the partners and any other entries relating to the change in the partners profit sharing ratio:

Siang and Malam
Statement of Financial Position for the year ended 31 December 2023

ASSETS	RM'000	RM'000	RM'000
<i>Non-current assets</i>			
Freehold premises			530
<i>Current assets</i>			
Inventories			90
Trade receivables			30
Cash and cash equivalents			15
			<u>135</u>
Total assets			<u>665</u>
EQUITY AND LIABILITIES			
<i>Capital</i>	Siang	Malam	
Capital accounts at 31.12.2022	240	160	400
Current accounts	80	60	140
Net profit			100
	<u>320</u>	<u>220</u>	<u>640</u>
<i>Current liabilities</i>			
Trade payables			25
<i>Total liabilities</i>			<u>25</u>
Total equity and liabilities			<u>665</u>

Additional information:

1. On the 1 July 2023 the freehold land and buildings were revalued at RM630,000. The partners have also agreed that the book values of the other assets and liabilities at the 1 July 2023 were their current net realisable values.
2. The goodwill at the 1 July 2023 was valued at RM60,000 but no goodwill account is to be maintained in the books.

Required:

- (a) Prepare the partners' capital accounts as at the 1 July 2023 showing the effects of the change in the partners' profit-sharing ratio on their claims on the partnership assets.
(5 marks)
- (b) A profit and loss appropriation account for the year ended 31 December 2023.
(8 marks)
- (c) A statement of financial position as at 31 December 2023 showing all the entries in the partners current accounts after giving effect to the change in the partners profit sharing ratio.

(9 marks)

[22 marks]

Question 2

Yahya is a sole trader operating a hookah lounge in Persiaran Gurney. Yahya prepares his financial statements annually to 31 December. His summarised statements of financial position for the last two years are as follows:

Yahya
Statement of Financial Position as at 31 December 2022 and 2023

NON-CURRENT ASSET	2022	2023
Equipment at cost	20,150	21,950
Less: Accumulated depreciation	(12,090)	(8,780)
Equipment at NBV	8,060	13,170
CURRENT ASSET		
Inventories	14,820	12,040
Trade receivables	10,670	13,920
Cash in hand	850	790
	34,400	39,920
EQUITY AND LIABILITIES		
Opening balance	19,140	17,200
Net profit for the year	1,200	5,940
Additional capital introduced	-	3,000
Less: Drawings	(3,000)	(7,000)
NON-CURRENT LIABILITIES		
Loan	3,000	8,000
CURRENT LIABILITIES		
Bank overdraft	1,600	2,400
Account payable	12,460	10,380
	34,400	39,920

Additional information:

1. Depreciation of equipment during the year was RM4,030.
2. Equipment costing RM1,800 was sold for RM1,300 cash when the carrying amount was RM1,080.

Required:

Prepare a statement of cash flows for the year ended 31 December 2023 using the **indirect method**.

(18 marks)

[18 marks]

Question 3

As the treasurer of the UBIS Football Club, you were given the following summary of the cashbook for the year ended 31 May 2024:

Cashbook			
	RM		RM
<u>Balances at start of the year:</u>		Rent	234
Cash at bank	63	Printing and stationery	18
Cash in hand	10	Affiliation fees	12
<u>Subscriptions:</u>		Secretary's expenses	37
Supporters	150	F&B for visiting teams	61
Supporters (prepayments)	20	Annual dinner expenses	102
		Equipment purchased	26
Fees per game	170	<u>Balances at end of the year:</u>	
Annual dinner tickets	134	Cash in bank	49
		Cash in hand	8
	547		547

You were also given the following information:

	31 May 2023	31 May 2024
	RM	RM
<u>Amounts due to the club:</u>		
Subscriptions	14	12
Fees per game	78	53
Annual dinner	6	-
<u>Amounts owing by the club:</u>		
Rent	72	54
Printing	-	3
Secretary's expenses	4	8
Refreshments	13	12

Additional information:

- On 31 May 2022 the club's equipment appeared in the books at RM150.
- 12.5 per cent is to be written off the book value of the equipment as it appears on 31 May 2023.

Required:

- (a) Calculate the club's accumulated fund as on 31 May 2023.

(6 marks)

- (b) Prepare the income and expenditure account showing the result for the year ended 31 May 2024.

(13 marks)

(c) Prepare the statement of financial position as at 31 May 2024.

(7 marks)

Note: Show all relevant workings

[26 marks]

Question 4

BGP Selects is a manufacturer of pellets and other foods for rabbits and guinea pigs. The trial balance extracted at 30 April 2024 is given below:

	Debit RM	Credit RM
Factory machinery at cost	28,000	
Factory machinery depreciation 1 May 2023		5,000
Office equipment	2,000	
Office equipment depreciation 1 May 2023		800
Trade receivables and payables	15,000	16,000
Bank	2,300	
Bank loan		11,000
<u>Inventories 1 May 2023:</u>		
Raw materials	4,000	
Work in progress	16,400	
Finished goods	9,000	
Carriage inwards	1,200	
Carriage outwards	700	
Purchases – raw materials	84,000	
Electricity	3,000	
Rent	6,600	
Factory wages	19,900	
Office wages	5,200	
Salesman commissions	1,400	
Sales of finished goods		140,000
Capital account		35,000
Drawings	9,100	
	207,800	207,800

Additional information:

- At 30 April 2024 accrued factory wages amounted to RM600 and office wages RM100; rent included RM600 paid on 20 January 2024 for the period 1 January to 30 June 2024.
- At 30 April 2024 inventory for the following are: raw materials RM5,400; work in progress RM17,000; finished goods RM8,000.

3. Depreciation for factory machinery is a straight-line method over seven years, and office equipment on the reducing balance method at 25 per cent per annum.
4. Provision of RM1,000 is made for doubtful debts.
5. Electricity should be apportioned between the factory and office in the ratio of 4:1 and rent in the ratio of 3:1.

Required:

- (a) Prepare a manufacturing account for the year ended 30 April 2024.
(8 marks)
- (b) Prepare a statement of profit or loss for the year ended 30 April 2024.
(8 marks)
- (c) Prepare a statement of financial position as at 30 April 2024.
(11 marks)
[27 marks]

Question 5

There are several different legal forms of organization. These can be grouped into two categories, known as unincorporated bodies and incorporated bodies. Unincorporated bodies consist of sole traders and partnerships. All other forms of organization are incorporated bodies. Incorporated bodies are recognized by law as being a legal entity separate from their members.

Required:

- Explain seven main differences between a limited company and a sole trader.
- (7 marks)
[7 marks]

END OF EXAMINATION PAPER