



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
MARCH 2024 SEMESTER**

COURSE CODE	: EIB11403
COURSE NAME	: PRINCIPLES OF ACCOUNTING
PROGRAMME NAME	: BACHELOR OF BUSINESS ADMINISTRATION (HONS) IN ISLAMIC FINANCE
DATE	: 11 JULY 2024
TIME	: 09.00 AM – 12.00 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) Accounting process commenced with identification of an economic transactions that have financial impact to a business followed by a series of processes. State and explain the accounting processes.
(6 marks)
- b) List **THREE (3)** users of accounting information and state their purpose of using the information.
(6 marks)
- c) Define what is bad debt and state **THREE (3)** reasons for bad debt.
(4 marks)

[16 Marks]

Question 2

The following transactions took place during the month of December, 2023 for Mama Enterprise.

Date	Transactions
1	Received additional capital from the owner amounting RM50,000 by cheque.
2	Purchased goods on credit from Lotus amounting to RM22,000.
6	Owner took goods for personal use amounting to RM5,600.
7	Credit sales to Muaz Trading amounting to RM24,500.
13	A customer, Tomy, whose account had been written off as bad debts two years ago has just repaid his debt with a cheque amounting to RM2,800.
18	Purchased office cabinets amounting to RM15,000. Additional installation cost was charged amounting to RM3,000. All payments are made by cheque.
21	Received full payment settlement from Muaz Trading by cheque after deduction of 5% cash discounts.
27	Paid staff salaries amounting to RM26,600 by cheque
30	Depreciation expenses for motor vehicle of RM50,000 has not been recorded. The depreciation rate is at 20% on straight line basis. The motor vehicle was purchased on 1 January 2023

Required:

- (a) Prepare the journal entries for all the above transactions with narrations.

(10 marks)

- (b) Post the transactions to appropriate ledger books using T-account and balance off the ledgers by closing the accounts at 31 December 2023.

(15 marks)

[25 marks]

Question 3

Below is the trial balance for Elite Enterprise as at 31 December 2023.

Elite Enterprise
Trial Balance as at 31 December 2023

Accounts	Debit (RM)	Credit (RM)
Capital		150,000
Furniture and fittings	30,450	
Motor vehicles	115,000	
Accumulated Depreciation:		
Furniture and Fittings		7,780
Motor Vehicles		29,000
Purchases	192,000	
Sales		361,500
Return inwards	3,100	
Return outwards		2,200
Carriage inwards	4,120	
Inventory at 1 January 2023	56,100	
Maintenance expenses	15,000	
Discount allowed	3,500	
Discount received		5,300
Utilities expenses	11,200	
Rental expenses	33,000	
Salaries and wages	68,800	
Bad debts	800	
Insurance expenses	16,800	
Bank	55,900	
Provision for doubtful debt (PFDD)		3,090
Account receivables	55,900	
Account payables		36,000
Drawings	16,000	
Rental income received		25,000
Long term loan, 8% p.a		57,800
Total	677,670	677,670

Additional information:

1. Inventory on hand at 31 December 2023 was estimated at RM69,000.
2. Insurance expenses paid in advance amounting to RM1,200.
3. Salaries and wages unpaid at 31 December 2023 was RM2,500.
4. Rental income for December 2023 amounting to RM5,000 has not been received.
5. Utilities costs of RM3,300 were unpaid at year end.
6. The owner withdrew RM12,000 from the bank for personal use.
7. Provision for doubtful debts is to be made at 5% of net trade receivables.
8. Depreciation is to be allowed as follow:
 - i. Motor Vehicles 25% on reducing balance method
 - ii. Furniture and Fittings 20% on cost

Note: Show all relevant workings, including journal entries on adjustments.

Required:

- (a) Prepare the Statement of Profit or Loss for the year ended 31 December 2023.
(20 marks)
- (b) Prepare the Statement of Financial Position as at 31 December 2023.
(10 marks)
[30 marks]

Question 4

On 16 April 2024, ED Enterprise received the monthly bank statement for March 2024. The statement showed as follows:

Maybank

ED Enterprise: Bank Statement at 31 March 2024

Date	Particulars	Debits	Credits	Balance
Mar-24		RM	RM	RM
1	Balance			5,661.00
4	Cheque no 10001	150		5,511.00
8	Deposit		550	6,061.00
13	Cheque no 10002	425		5,636.00
14	Deposit		564	6,200.00
16	Cheque no 10003	132		6,068.00
17	Cheque no 10004	660		5,408.00
20	Deposit		821.20	6,229.20
21	Standing order	220		6,009.20
21	Bank charges	25		5,984.20
22	Cheque no 10005	280		5,704.20
23	Cheque no 10006	300		5,404.20
24	Deposit		451	5,855.20
25	Credit Transfer		235	6,090.20
26	Cheque Returned	363		5,727.20
28	Cheque no 10007	114.54		5,612.66
29	Miscellaneous	20		5,592.66
29	Dividend/interest		222	5,814.66

BANK ACCOUNT

Mar-24		RM	Mar-24		Cheque No	RM
1	Balance b/d	5,661.00	3	Utilities	10001	150
8	Sales	550	11	Purchases	10002	425
13	Sales	564	15	Royalties	10003	132
18	Sales	821.20	16	Purchases	10004	660
22	Sales	451	20	Purchases	10005	250
30	Sales	245	21	general expenses	10006	300
			28	Wages	10007	114.54
			30	Rent	10008	450
			30	Balance c/d		5,810.66
		8,292.20				8,292.20

Note: Further inquiries with the bank confirmed that the bank had correctly entered the amount for cheque number 10005.

Required:

- (a) Update the bank account of ED Enterprise.

(10 marks)

- (b) Prepare the Bank Reconciliation Statement of ED Enterprise as at 31 March 2024.

(5 marks)

[15 marks]

Question 5

Swee is a sole trader. The following is a summary of her final accounts:

Trading and Profit & Loss Account for the year ended 31 December 2023

	RM	RM
Sales		94,000
Opening stock	6,000	
Add Purchases	55,000	
	61,000	
Less Closing stock	(4,500)	56,500
Gross profit		37,500
Less Expenses		
General expenses	33,000	
Loan interest	500	33,500
Net profit		4,000

Note: 5% of sales are cash sales

Statement of Financial Position as at 31 December 2023

	RM	RM
Non-Current Assets		48,000
Current Assets		
Stock	3,600	
Debtors	14,500	
Bank	8,500	
	26,600	
Current Liabilities		
Creditors	(7,800)	
Net Current Assets		18,800
		66,800
Non-Current Liabilities		
5% Bank Loan		(8,000)
		58,800
Equity		
Capital		54,400

Add Net profit	11,600
	66,000
Less Drawings	(7,200)
	58,800

Required:

Calculate correct to one decimal place, the following ratios, stating the formula used:

- (a) Gross profit margin (2 marks)
- (b) Net profit margin after interest (2 marks)
- (c) Current ratio (working capital) (2 marks)
- (d) Liquidity ratio (acid test) (2 marks)
- (e) Rate of stock turnover (2 marks)
- (f) Debtors' collection period (days) (2 marks)
- (g) Creditors' settlement period (days). (2 marks)
- [14 marks]**

END OF EXAMINATION PAPER