



UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL

FINAL EXAMINATION MARCH 2024 SEMESTER

COURSE CODE	: EIB10403
COURSE NAME	: FINANCIAL ACCOUNTING
PROGRAMME NAME	: BACHELOR OF BUSINESS ADMINISTRATION (HONS)
DATE	: 5 JULY 2024
TIME	: 3.00 PM – 6.00 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 NINE (9) 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) objectives of preparing financial statements from the perspective of a business owner. (6 marks)
- (b) Explain the term “unlimited liability” in a partnership business. (2 marks)
- (c) Differentiate **TWO** (2) common methods of providing depreciation. (2 marks)
- (d) The preparation of the final accounts of an enterprise will be incomplete until the adjusting entries at the end of accounting period are made. State clearly the accounting treatment for accrued expenses and provide **TWO** (2) reasons for making adjustments for accruals. (5 marks)

[15 marks]

Question 2

- (a) The following information is available for Amin Ventures on 1 March 2024.

Accounts receivable, 1 March 2024	RM53,000
Allowance for doubtful debts (opening balance)	RM1,340

Transactions during March 2024	RM
Credit sales	60,000
Return inwards	1,100
Discount allowed	3,000
Payment from credit customers	24,500
Bad debts to be written off	2,000

On 31 March 2024, allowance for doubtful debts is to be provided at 4% on the remaining accounts receivable.

Required:

- i. Calculate the allowance for doubtful debts for the year ended 31 March 2024 and provide its journal entries.
(3 marks)
- ii. Prepare general ledger of Accounts Receivable.
(4 marks)
- iii. Prepare Allowance for Doubtful debts accounts
(3 marks)

- (b) Rivers Sdn. Bhd. started its operation on 1 January 2020. A cruise ship was purchased at a price of RM800,000 on 1 January 2023. In addition to the purchase price, other costs incurred were as follows.

Transactions	RM
The purchase of a cruise ship	800,000
Vehicle registration fee	12,000
Custom duty	15,000
Annual maintenance fee	2,900
Annual insurance	30,000
Painting a logo on the body of the cruise	4,800
Legal fee in connection with the purchase of the ship	10,000
An upgrade to increase more space for cruise guests	50,000
A special software to improve the efficiency of navigation the cruise	33,890

Rivers Sdn. Bhd. decided to provide for depreciation on the cruise ship using a straight line method. Depreciation rate is 10% per annum. The accounting year ended on 31 December 2023.

Required:

- i. Calculate the cost of the cruise ship including its related capital expenditure.
(6 marks)
- ii. Calculate the depreciation expense for the above cruise ship for the year ended 31 December 2023 and prepare its journal entries
(4 marks)

[20 marks]

Question 3

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

Trial Balance as at 30th June 2024

Accounts	Debit (RM)	Credit (RM)
Land and building, at cost	200,000	
Office equipment, at cost	50,000	
Accumulated depreciation – office equipment		17,600
Inventories as at 1 July 2023	14,000	
Accounts receivable	30,000	
Allowance for doubtful debts		1,050
Cash at bank	29,840	
Accounts payable		18,520
Bank loan		25,000
Capital		80,950
Sales		366,420
Discount allowed	5,620	
Purchases	135,700	
Return outwards		8,000
Discount received		2,000
Carriage inwards	6,680	
Drawings	1,000	
Rent revenue		11,700
Commission received		5,150
General expense	5,000	
Insurance expense	13,250	
Utilities expense	2,400	
Advertising expense	12,400	
Salaries and wages expense	25,000	
Maintenance expenses	3,500	
Carriage outwards	2,000	
Total	536,390	536,390

Additional information:

1. Inventory as at 30 June 2024 was RM9,800.
2. Rent revenue received in advance at 30 June 2024 amounted to RM900.
3. Utilities for the month of June 2024 amounting to RM750 has yet to be paid.
4. Insurance expense of RM1,250 for the following period that was paid in advance.
5. The bank loan is a 5-year loan taken on 1 January 2024. The interest on bank loan of 10% per annum was not yet paid.
6. Raihana returned damaged goods of RM1,300 to a credit supplier. This transaction has not been recorded.
7. Bad debts of RM2,000 were to be written off.
8. The owner withdrew cash of RM5,000 for her personal use.
9. Depreciation is to be provided as follows:
Office Equipment - 20% on straight line method

Note: Calculate to nearest RM

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

Mentari Trading has prepared the cash book as shown:

Cashbook (Bank column)

2024		RM	2024		RM
1/4	Balance b/d	41,530.00	8/4	Berjaya Enterprise (Chq No: 131250)	12,000.00
8/4	Firebuzz Sdn Bhd	14,320.00	8/4	TNB – electricity (Chq No: 131251)	6,211.00
18/4	LikeUs Enterprise	427.00	15/4	Purchases (Chq No: 131252)	7,801.00
19/4	Shanaya Travels	12,500.00	28/4	Salary and wages	20,090.00
30/4	Sharmine Tours	10,000.00	30/4	Balance c/d	32,675.00
		<u>78,777.00</u>			<u>78,777.00</u>

On 5th May 2024, Mentari Trading received a bank statement for the month of April 2024. The bank statement showed the following details:

Bank Statement as at 30 April 2024

Date	Particulars	Cheque No	Debit RM	Credit RM	Balance RM
1 April	Balance				41,530.00
3 April	Credit transfer			2,751.00	44,281.00
8 April	Cheque	131251	6,211.00		38,070.00
8 April	Deposit	BSN250255		14,320.00	52,390.00
15 April	Deposit	BMB246521		1,000.00	53,390.00
18 April	Deposit	BIMB21304		427.00	53,817.00
19 April	Cheque Returned		427.00		53,390.00
19 April	Deposit	MBB245555		15,200.00	68,590.00
28 April	Cheque	131253	20,090.00		48,500.00
29 April	Credit transfer			1,500.00	50,000.00
30 April	Bank charges		15.00		49,985.00
30 April	Dividend			53.00	50,038.00

Additional information:

1. A cheque received from Shanaya Travels amounting to RM15,200 was mistakenly recorded as RM12,500
2. After checking with the bank, it has been confirmed that the bank had wrongly credited a deposit on 15/4/2024 worth RM1,000 which belongs to Matahari Trading.

Required:

- (a) Adjust and prepare the updated cashbook for Mentari Trading.

(8 marks)

- (b) Prepare a bank reconciliation statement as at 30 April 2024.

(7 marks)

[15 marks]

Question 5

Below are the financial statements for the year ended 31 December 2023 for Alamanda Enterprise.

Statement of Profit or Loss for the year ended 31st December 2023

	2023	2022
	RM	RM
Sales Revenue	550,000	390,000
Less: Cost of Goods Sold	(250,000)	(140,000)
Gross Profit	300,000	270,000
Add: Other Income	22,000	20,000
Less: Expenses:		
Operating expenses	(140,000)	(120,000)
Administrative costs	(20,000)	(8,000)
Profit for the year	162,000	142,000

Statement of Financial Position as at 31st December 2023

	2023	2022
	RM	RM
<u>Non-current Assets</u>	263,350	150,000
<u>Current Assets</u>		
Inventories	40,000	45,000
Accounts Receivable	53,500	30,000
Bank	40,150	33,000
Cash	12,000	6,000
Total Current Assets	145,650	114,000
Total Assets	<u>409,000</u>	<u>264,000</u>
<u>Owner's Equities</u>		
Capital at beginning of the year	198,000	96,000
Profit for the year	162,000	142,000
Less: Drawings	(42,250)	(40,000)
Capital at end of the year	317,750	198,000

<u>Current Liabilities</u>		
Accounts Payable	61,250	39,000
Accruals	5,000	7,000
Short term trade financing loan	25,000	20,000
Total Current Liabilities	91,250	66,000
Total Equities and Liabilities	<u>409,000</u>	<u>264,000</u>

Required:

(a) Calculate and comment on the following ratios for both financial years.

- i. Gross profit margin (2 marks)
- ii. Net profit margin (3 marks)
- iii. Inventory turnover ratio (4 marks)
- iv. Current ratio (4 marks)
- v. Quick ratio or Acid-test ratio (4 marks)
- vi. Average collection period (3 marks)

Note: Show all relevant workings and rounding up figure.

[20 marks]

END OF EXAMINATION PAPER