



UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL

FINAL EXAMINATION MARCH 2024 SEMESTER

COURSE CODE	: EEB10303
COURSE NAME	: BUSINESS ACCOUNTING
PROGRAMME NAME	: BACHELOR IN ACCOUNTING (HONS)
DATE	: 5 JULY 2024
TIME	: 9.00 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 SEVEN (7) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

(Total: 100 marks)

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided

Question 1

- (a) Identify and state the relevant accounting concepts for each of the following scenarios.
- i. MSM sold goods for RM2,500 on 15 October 20X3 and the payment was not received until 31 October 20X3. Encik Kamal, the owner however recognise the revenue of RM2,500 even though payment have not been received yet.
 - ii. Salma, the tailor acquired a sewing machine worth RM3,000 using cash for her tailor shop. The machine account is debited and cash account is credited. The same amount will be recorded in both account.
 - iii. A company had adopted straight line method to depreciate its plant and machinery. However, as at 31 December 20X3, the management decided to depreciate using a reducing balance method without informing the shareholders about the changes. This had violated _____ principle.
 - iv. Maureen a sole trader pays her own house rental using business book account and record them as drawing. This is inline with _____ principle.
 - v. Expenses are recognised in the same accounting period as the revenue which result from the incurrence of these expenses.
 - vi. The cost of a dust bin in an office is treated as a period expense rather than depreciating its cost over its useful life.
 - vii. Accounting is only concerned with the recording of facts that can be expressed in monetary terms, as opposed to using physical or time units of measurement.
 - viii. Accounting principles requiring costs necessary for the generation of revenue are compared (offset) against the revenues in the determination of periodic net income
 - ix. The financial statements of a business report the economic activities of the business only and does not include the economic activities of the owner of the business.

- x. An accountant generally recognizes losses when there is evidence to indicate a high probability of the losses occurring, but gains are not recognized until they are actually realized.

(10 marks)

- (b) Hamzah is setting up a new burger stall business. For his business purposes, Hamzah bought a used car amounting to RM32,200 from Carsome, a moveable burger stall for RM1,350. He also bought utensils cooking equipment for RM4,400 and inventory of goods for RM1,000. Hamzah did not pay in full for his used car and still owes RM6,500 for it. He also borrowed RM5,000 from Adam. Before he starts his business, he has RM900 cash in hand and RM8,200 in bank.

Required:

- i. Calculate the total assets.

(6 marks)

- ii. Calculate the total liabilities.

(2 marks)

- iii. Calculate the capital amount.

(2 marks)

[20 marks]

Question 2

ClassyYou Sdn. Bhd. is a clothing business run by Lisa, a sole proprietor. Given below is the trial balance of her business as at 31 December 2023.

	Debit (RM)	Credit (RM)
Sales		150,000
Purchases	74,000	
Return inwards and outwards	400	500
Commission received		3,000
Salaries and wages	10,250	
Account receivable	12,600	
Freehold Premises	68,300	
Motor vehicles	90,000	
Bank	6,500	
Fixtures and fittings	26,000	
Rent income		500
Insurance expense	2,600	
Advertising expense	12,500	
Account payable		16,800
Heating and Lighting	900	
Import duty	400	
Carriage inwards	300	
7% Loan from bank		56,300
Interest received		2,980
Interest on loan	1,200	
Opening stock	4,000	
Capital		79,870
	<u>309,950</u>	<u>309,950</u>

Additional information:

- Lisa took a RM2,000 dress for her birthday which has not been accounted for business book.
- Provision for doubtful debts is estimated to be at 5% of accounts receivable.
- Depreciation on motor vehicles was provided at 10% per annum using straight line method.

- iv. Heating and lighting paid in advance amounting to RM600.
- v. Commission received due but not yet paid amounting to RM470.
- vi. Inventory as at 31 December 2023 was valued at RM5,500.

Required:

- (a) Prepare the Statement of Comprehensive Income 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**

Consider the following items:

- i. Tomatoes used in the manufacture of Manis ketchup.
- ii. Administrative salaries of executives employed by Batik Airlines.
- iii. Wages of assembly-line workers at Kilang ABC.
- iv. Marketing expenditures of the Selangor Hockey Club.
- v. Commissions paid to Coca-Cola's salespeople.
- vi. Straight-line depreciation on manufacturing equipment owned by Dell Computer.
- vii. Shipping charges incurred by Office Depot on out-going orders.
- viii. Speakers used in Sony home-theater systems.
- ix. Insurance costs related to Mary Kay Cosmetics' manufacturing plant.
- x. Tire costs incurred by Honda Motor Company.
- xi. Sales commissions paid to the sales force of Dell Computer.
- xii. Wood glue consumed in the manufacture of Fella Design furniture.
- xiii. Advertising costs of Coca-Cola.
- xiv. Newsprint consumed in printing Berita Harian.
- xv. Plant insurance costs of Andam Factory.

Required:

Complete the following table and classify each of the costs listed as (1) a product or period cost and (2) a variable or fixed cost by placing an "X" in the appropriate column. Refer to Item (i) as an example.

Item	<u>Product or Period Cost</u>		<u>Variable or Fixed Cost</u>	
	Product	Period	Variable	Fixed
i.	X		X	
ii.				
iii.				
iv.				
v.				
vi.				
vii.				
viii.				
ix.				
x.				
xi.				
xii.				
xiii.				
xiv.				
xv.				

[15 marks]

Question 4

The following data relates to a manufacturing company.

Variable cost per unit:

Direct materials	RM3
Direct labor	RM2
Variable Manufacturing Overhead	RM2

Fixed costs per year:

Fixed manufacturing overhead	RM30,000
Fixed selling and administrative expenses	RM10,000

Units in beginning inventory	0
Units produced	6,000
Units Sold	5,000
Units in ending inventory	1,000
Selling price per unit	RM22

Selling and administrative expenses:

Variable per unit

RM2.50

Required:

- (a) Calculate the product cost per unit using a Variable Costing System. (2 marks)
- (b) Calculate the product cost per unit using the Absorption Costing System. (3 marks)
- (c) Prepare an Income Statement using a Variable Costing System. (8 marks)
- (d) Prepare an Income Statement using the Absorption Costing System. (7 marks)
- [20 marks]**

Question 5

Adi Sdn. Bhd. (ASB) produce and sell plastic plates to retailers for RM5.00 per unit. The variable cost per plastic plate is as follows:

	RM
Direct materials	0.7
Direct labour	0.6
Variable overheads	0.4
Selling expense	0.3

The fixed manufacturing cost amounted to RM120,000 per year. The total fixed administrative cost is RM30,000.

Required:

- (a) Calculate the breakeven point in units and value. (6 marks)
- (b) If the unit sold is 150,000 units, calculate the current profit. (6 marks)

- (c) How many plates must be sold to earn a profit of RM80,000?

(5 marks)

- (d) Calculate the margin of safety in unit and value.

(3 marks)

[20 marks]

END OF EXAMINATION PAPER