



UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL

FINAL EXAMINATION OCTOBER 2024 SEMESTER

COURSE CODE	: EAB10504
COURSE NAME	: FINANCIAL ACCOUNTING AND REPORTING 1
PROGRAMME NAME	: BACHELOR IN ACCOUNTING (HONS)
DATE	: 13 FEBRUARY 2025
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 SEVEN (7) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

(Total: 100 marks)

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided.

Question 1

- (a) The objective of General Purpose Financial Reporting prescribed in the Conceptual Framework *is to provide information about reporting entity that is useful to existing and potential investors, lenders and other creditors in making decisions about providing resources to the entity.*

Briefly explain the term "information on reporting entity"

(3 marks)

- (b) Zillion Sdn Bhd has several branches of bookstores in Melaka. The board of directors of the company are contemplating to diversify its business into rental and retailing of photocopy machines. The accountant of the company has proposed the acquisition of 20 units of photocopy machines. 10 units are meant to be rented out to customers, while the remaining 10 units are for sale. The machines to be rented out are estimated to generate income for a period of 10 years. As at the year end, no action has been taken on the proposal.

- i. In accordance to the Conceptual Framework, define assets.

(3 marks)

- ii. Discuss whether the photocopy machines are assets of the company.

(4 marks)

[10 marks]

Question 2

Amirul Enterprise is a sole trading company that supply delicious biscuits in Malaysia. The following are the trial balance as at 31 December 2024.

	Debit RM	Credit RM
Inventories as at 1 January 2024	25,000	
Carriage inwards	3,000	
Return	12,000	11,800
Purchases and Sales	150,000	254,000
Motor vehicles at cost	40,000	
Equipment at cost	120,000	
Discounts	5,700	9,200
Import duties on purchase of inventories	4,400	
Interest on 10% fixed deposit		4,583
Commissions	4,100	6,300
Electricity expenses	15,100	
Advertising expenses	18,700	
Drawing	6,550	
Interest on loan – Islamic Bank	2,800	
Account receivable and account payable	46,000	27,017
10% fixed deposit	50,000	
Cash in hand	2,050	
Cash at bank	36,000	
Capital		138,500
Loan from Islamic Bank		80,000
Accumulated depreciation as at 1 January 2024		
Motor vehicles		8,000
Equipment		2,000
	541,400	541,400

Additional information:

1. Inventories at the end of the year was RM56,000.

2. During the year, the owner, Encik Amirul, frequently took goods from his shop amounting to RM100 per month for personal use. No records were made for these transactions.
3. The business has not paid RM400 for electricity bill and RM2,300 for advertising expenses.
4. Bad debts is RM200 and the provision for doubtful debts during the year is to be allocated at 10%.
5. One month interest on 10% fixed deposit has yet to be received by Amirul Enterprise.
6. Islamic Bank loan was taken in early January 2024 with a profit rate of 5 per cent per annum.
7. Depreciation on motor vehicles is 25 per cent on the reducing balance method, whereas depreciation on equipment is 10 per cent on the straight-line basis.
8. The following are unrecorded items in the ledger:
 - (i) Purchase of new machine at the cost of RM15,000.
 - (ii) Installation of the machine is RM200.
 - (iii) Delivery of the machine is RM300.
 - (iv) Administrative expenses incurred for the machine is RM250.
 - (v) Training of employee to operate the machine is RM5,000.
9. A cash payment of RM360 for an advertising expense was wrongly recorded as RM630.
10. A cheque of RM500 for the commission paid was correctly entered in the bank account but incorrectly entered in the electricity expenses.

Required:

- (a) Prepare the statement of profit of loss for Amirul Enterprise for the year ended 31 December 2024.

(20 marks)

- (b) Prepare the statement of financial position for Amirul Enterprise for the year ended 31 December 2024.

(12 marks)

[32 marks]

Question 3

Sun Trading commenced its operations in January 2024. On 1 February 2024, the owner received a monthly bank statement from Setel Bank Malaysia Berhad. The end balance in the bank statement normally is not the same with the end balance amount recorded in the cash book (bank column). The cash book and the bank statement contained the following details below:

Sun Trading
Cash Book (Bank column)

Date	Particulars	RM	Date	Particulars	RM
Jan-01	Capital	25,000	Jan-05	Insurance (30100)	12,121
Jan-03	Sales	24,100	Jan-08	Advertising (30101)	14,600
Jan-09	Bibiey (30102)	10,115	Jan-12	Langkasuka (30103)	9,820
Jan-10	Catney Ent. (98202)	15,100	Jan-18	Intan Baiduri (30104)	10,500
Jan-15	Loan-BIMB	25,000	Jan-25	Petty cash (30105)	1,500
Jan-18	Sales (23652)	5,800	Jan-31	Bal c/d	56,574
		105,115			105,115

Setel Bank Malaysia Berhad
Bank Statement for the month of January 2024

Date	Particulars	Debit (RM)	Credit (RM)	Balance (RM)
Jan-01	Deposit DuitNow		25,000	25,000
Jan-03	Deposit DuitNow		24,100	49,100
Jan-09	Withdrawals-30100	12,212		36,888
Jan-12	Withdrawals-30102	10,115		26,773
Jan-15	Deposit DuitNow		25,000	51,773
Jan-23	Deposit-23652		5,800	57,573
Jan-24	Withdrawals-30104	10,500		47,073
Jan-25	Credit transfer		220	47,293
Jan-26	Withdrawals-30105	1,500		45,793
Jan-27	Deposit		5,500	51,293
Jan-28	Dividend received		1,200	52,493
Jan-28	Standing order	570		51,923
Jan-29	Bank charges	50		51,873

Additional information:

1. Cheque number 30100 paid for insurance was wrongly credited in the cash book as RM12,121.
2. Cheque paid to Bibiey 30102 was wrongly recorded as a receipt instead of a payment in the cash book.
3. Setel Bank Malaysia Berhad wrongly credited RM5,500 into the account of Sun Trading; the amount should be credited to the account of Fun Trading.
4. The credit transfer was received from Judika for the settlement of her account.
5. The standing order was for the monthly rent payment.

Required:

- (a) Prepare an adjusted cash book.
(12 marks)
 - (b) Prepare a bank reconciliation statement as at 31 January 2024.
(8 marks)
 - (c) State **ONE (1)** objective of preparing the bank reconciliation statement.
(2 marks)
 - (d) Explain the following terms:
 - i. Unpresented cheque
 - ii. Credit transfer
(3 marks)
- [25 marks]**

Question 4

Alifah Electricals is a business that is involved in retail sales of electrical appliances. The business sells its goods to customers on both cash and credit terms. The following information related to the business' credit sales for the month of April 2024 are as follows:

Accounts receivable balance as of 1 April 2024	RM70,000
Provision for doubtful debts (opening balance)	RM 1,500

Transactions during April 2024	RM
Credit sales	88,000
Return inwards	2,500
Discount allowed	4,500
Payment from credit customers	56,500

Additional information:

1. As of 30 April 2024, Hairul, a loyal customer, was unable to settle his debt of RM2,700 due to being declared bankrupt.
2. It was also discovered that Said, another long-term customer, had passed away following a massive heart attack, leaving an outstanding debt of RM3,500.
3. Based on the two unfortunate events above, the management of Alifah Electricals decided a provision for doubtful debts is to be made at 5 per cent on the remaining accounts receivable balances.

Required:

- (a) Calculate the provision for doubtful debts for the year ended 30 April 2024 and provide its journal entries.
(4 marks)
- (b) Prepare the general ledger of the accounts receivable.
(4 marks)
- (c) Prepare the general ledger of the provision for doubtful debts accounts.
(4 marks)
- (d) List **THREE (3) factors** that might influence a customer's credit term.
(3 marks)

[15 marks]

Question 5

Bydeon Bhd is engaged in trading imported cars. The company imported 2 sports car models namely EV and EZ. On 29 December 2024, due to an increasing demand from the local market, Bydeon Bhd purchased 2 additional units of sports cars model EV from the main supplier located in France.

Bydeon Bhd was charged with the normal invoice price and incurred regular import duties, storage cost, and freight insurance in relation to this purchase. In the sales and purchase agreement, it included a clause of Free On Board (FOB) destination. The 2 additional units of sports cars model EV arrived at the Bydeon Bhd premise on 11 January 2025.

As at financial year end 31 December 2024, below are the details for the 2 existing units of sport cars at Bydeon Bhd's showroom:

	EV (RM)	EZ (RM)
Quantity	1 unit	1 unit
Invoiced price	386,900	588,343
Import duties	10,000	25,000
Storage cost	10,000	15,000
Freight insurance	10,100	17,657
Estimated market price	500,000	680,000
Carriage cost to sell	20,000	50,000

Required:

- (a) Justify whether the additional purchase of the 2 units of sports cars model EV were inventories of Bydeon as at financial year end 31 December 2024 in accordance with MFRS102 *Inventories*.

(6 marks)

- (b) State **THREE (3)** components of cost of inventories in accordance with MFRS102 *Inventories*.

(6 marks)

- (c) Determine the value of the inventory on item-by-item basis as at financial year end 31 December 2024 in accordance with MFRS102 *Inventories*.

(6 marks)

[18 marks]**END OF EXAMINATION PAPER**