



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
FEBRUARY 2025 SEMESTER**

COURSE CODE : EAP00104
COURSE NAME : INTRODUCTION TO FINANCIAL ACCOUNTING
PROGRAMME NAME : FOUNDATION IN BUSINESS (FIB)
DATE : 24 JUNE 2025
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 **THREE (3) Sections; Section A, Section B and Section C.**
 4. Answer **ALL** questions in **Section A, Section B and Section C.**
 5. Please write your answers on the OMR answer sheet and 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.**
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THERE ARE TEN (10) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total:20 Marks)

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided.

1. Which of the following **is not** one of the four basic financial statements?
 - A. Statement of Financial Position
 - B. Audit Report
 - C. Statement of Comprehensive Income
 - D. Statement of Cash Flow

2. Total assets on the Statement of Financial Position prepared on any date must agree with which of the following?
 - A. The sum of total liabilities and owner's equity
 - B. The sum of total liabilities, owner's equity and net income
 - C. The sum of the total liabilities and net income as shown on the income statement
 - D. The sum of total liabilities and cash

3. Bookkeeping differs from accounting. Bookkeeping primarily involves which part of the accounting process?
 - A. Measurement.
 - B. Identification.
 - C. Communication.
 - D. Recording.

4. All the following are classified as non-current assets except _____.
 - A. Machinery.
 - B. Van.
 - C. Inventories.
 - D. Office equipment.

5. Which of the following statements described the principles of double entry is **true**?
- A. Cash purchases will be debited in the cash account.
 - B. Cash contributed by the owner of the business will be debited in the capital account.
 - C. Withdrawal of cash by the owner of the business for his/her personal usage will be debited in the capital account.
 - D. Sold goods to existing customers on credit will be debited in the sales account.
6. Alissa Trading compiled the following financial information as of December 31, 2024:

	RM
Sales	240,000
Motor Vehicle	75,000
Insurance Expenses	5,000
Cash at Bank	25,000
Inventory	2,000
Accounts payable	25,000
Accounts receivable	23,000
Fixtures	18,000
Capital	165,000

Alissa's amount of total current assets as at December 31, 2024, were

- A. RM 25,000
 - B. RM 23,000
 - C. RM 27,000
 - D. RM 50,000
7. Sales on credit are first entered in _____
- A. the General Journal.
 - B. the Purchase Day Book.
 - C. the Sales Ledger.
 - D. the Sales Day Book.

8. Entered in the Purchase Journal are _____
- A. payments to suppliers.
 - B. trade discounts.
 - C. purchases on credit.
 - D. discount received.
9. The transaction of contribution funds from the owner will _____
- A. increase drawings.
 - B. increase owner's equity.
 - C. decrease in asset.
 - D. increase in revenue.
10. Gross Profit can be obtained-
- A. Revenues-Expenses
 - B. Assets+ Liabilities
 - C. Sales- Cost of goods sold
 - D. Sales- All expenses
11. A credit balance of RM100 in a cash account shows that _____
- A. there was RM100 cash in hand.
 - B. cash has been overspent by RM100.
 - C. RM100 was the total cash paid out.
 - D. the total cash received was less than RM100.
12. The main purpose of financial accounting is _____
- A. to provide financial information to shareholders and stakeholders.
 - B. to maintain the balance sheet.
 - C. to minimize taxes.
 - D. to keep track of liabilities.
13. Which financial statement shows the revenues and expenses of a company over a specific period?
- A. Statement of financial position.
 - B. Cash flow statement.
 - C. Statement of Comprehensive Income.
 - D. Statement of retained earnings.

14. Bank overdraft is categorised under
- A. Non Current Liabilities.
 - B. Current Assets.
 - C. Owner's Equity.
 - D. Current Liabilities.
15. Why does a business prepare a trial balance?
- A. To calculate the profit or loss
 - B. To show the financial position
 - C. To check the arithmetical accuracy of the ledger
 - D. To check the cash and bank balances
16. The purpose of charging depreciation is _____
- A. To allocate the cost less residual value of a non-current asset over the accounting periods expected to benefit from its use.
 - B. To reduce the cost of the asset in the statement of financial position to its estimated market value.
 - C. To comply with the consistency principle.
 - D. To ensure that funds are available for the eventual replacement of the asset.
17. Which of the following is **true** about a "debit"?
- I. It is part of the double-entry procedure that keeps the accounting equation in balance.
 - II. It represents an increase to assets.
 - III. It represents a decrease to liabilities.
 - IV. It is on the right side of a T-account.
- A. I and II.
 - B. IV only
 - C. I, II, and III
 - D. I, II, III, and IV.
18. When a payment is made on an account payable:
- A. Assets and owners' equity decrease.
 - B. Assets and liabilities decrease.
 - C. Liabilities and revenues decrease.
 - D. Assets and expenses decrease.

19. Making insurance payments in advance is an example of:
- A. An accrued revenue.
 - B. An accrued expense.
 - C. An unearned revenue.
 - D. A prepaid expense.
20. A revenue has what effect on the accounting equation?
- A. Increase liabilities.
 - B. Decrease assets.
 - C. Increase owners' equity.
 - D. No effect.

SECTION B (Total : 10 Marks)

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided.

Question 1

Fill in the blank with either 'increase' , 'decrease' or 'no change'.

1. Purchasing equipment using cash causes _____ to total assets.
2. Providing services to customers for cash causes owners' equity to _____.
3. Receiving cash in advance from a customer for services to be provided in the future causes assets to increase and liabilities to _____.
4. Loan accounts _____ require a debit entry in ledger.
5. Purchase good on credit causes purchase _____ and recorded in debit side.
6. The business received a utility bill of \$350 but not pay it, require record of accrued expenses to show _____ in liabilities.
7. Drawing will _____ total owners' equity.
8. A debit of prepaid insurance is due to the _____ of current asset.
9. Interest paid have the effect of _____ the owners' equity.
10. Capital increases with a credit entry while drawing _____ with a debit entry.

SECTION C (Total: 70 Marks)

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided.

Question 1

QASEH Grocer commenced the business on 1st July 2024. The transactions in July were as follows:

July	1	Haura, owner of the business, contributed RM 50,000 cash.
	2	RM20,000 of the cash is transferred to the bank account.
	5	Bought goods on credit RM3,450 from Jarjane Enterprise
	7	Bought a secondhand van by cheque RM15,750.
	9	Received a cheque RM 630 for sold goods.
	11	Bought goods by cash RM2,580
	12	Returned goods to Jarjane Enterprise RM550
	19	Goods sold by credit to Goody Bhd. RM 1,250.
	25	Bought computer by cash from All IT Store RM3,230
	30	Paid Jarjane Enterprise by cheque RM1,500.

REQUIRED:

- a) Record the above transactions into ledgers (T-account) (22 marks)
- b) Prepare the Trial Balance as of 31st July 2024 (8 marks)

Question 2

Suraiya Trading has the following record of non-current assets for the year ended 31st of December 2024.

- 1) A machine purchased cost RM 93,500 and estimated useful life was 6 years. The residual value of the machine was RM 3,500 at the end of its useful life. Annual depreciation of the machine was calculated using straight line method.
- 2) Total motor vehicle was RM 112,000. The company decided to depreciate the assets at 15% per year using the reducing balance method.

Required:

- (a) Prepare a schedule showing the annual Depreciation expense, Accumulated Depreciation and Net Book Value of a lorry for years 2024 using straight line method.
- (b) Show the journal entry for the transaction on 31st of December 2024

Year	Computation	Depreciation Expenses (RM)	Accumulated Depreciation (RM)	NBV
2024				

(5 marks)

- (c) Prepare a schedule showing the annual Depreciation expense, Accumulated Depreciation and Net Book Value of office equipment for each of the year 2024 using reducing balance method.
- (d) Show the journal entry for the transaction on 31st December 2024

Year	Computation	Depreciation Expenses (RM)	Accumulated Depreciation (RM)	NBV
2024				

(5 marks)

Question 3

Mayya Lunar Ent. started the business selling phone accessories in year 2022. The following information is for the year ended 31st of December 2024.

Particulars	Debit (RM)	Credit (RM)
Capital		163,000
Cash in hand	12,300	
Cash at bank	80,000	
Accounts Receivable	16,800	
Accounts Payable		10,600
Sales		140,950
Purchases	86,500	
Return inwards	2,500	
Return outwards		2,300
Furniture	25,000	
Office equipment	5,400	
Motor Vehicle	58,000	
Salaries	20,900	
General expenses	1,500	
Water and electricity	3,600	
Rental expenses	14,000	
Loan from Bank		75,000
Carriage inwards	2,300	
Opening inventories	3,000	
Insurance expenses	2,850	
Discount received		5,600
Building	70,600	
Advertising expenses	4,500	
Carriage outwards	600	
Commission received		6,700
Discount allowed	1,300	
Maintenance expenses	1,200	
Rental received		11,800
Stationeries	700	
Drawings	2,400	
	441,550	441,550

Additional information:

1. Inventories were valued at RM24,000 as at 31st of December 2024.
2. RM2,000 of the advertising expenses was paid in advance.
3. The following expenses were still accrued at year-end.

	RM
Salaries	3,900
Water & Electricity	1,650

Required:

- a) Prepare the Statement of Comprehensive Income for the year ended 31st December 2024.
(15 marks)
- b) Prepare the Statement of Financial Position as at 31st December 2024.
(15 marks)

END OF EXAMINATION PAPER