UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
MARCH 2025 SEMESTER

COURSE CODE	:	EEB10303
COURSE NAME	:	BUSINESS ACCOUNTING
PROGRAMME NAME	:	BACHELOR OF BUSINESS ADMINISTRATION (HONS)
DATE	:	22 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 **FOUR (4)** 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 FIVE (5) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

(Total: 100 marks)

INSTRUCTION: Answer ALL questions.
Please use the answer booklet provided.

Question 1

Jefri decided to start his own art dealership business, named "Jefri Collection," on 1 January 2025. As a sole proprietor, he will manage all the buying and selling of artwork, as well as the day-to-day running of the business. During the month of January, Jefri carried out a number of financial transactions related to the start-up and operations of his business. These transactions need to be recorded accurately to keep track of the business's financial position.

Below is a summary of all the transactions that took place during January 2025:

Date	Details
1	Jefri began the business by introducing RM6,000 of his own money into the business as capital.
5	Jefri purchased picture for RM1,000 by cheque to be held as inventory for resale.
9	Jefri bought three identical prints (also for resale) for a total of RM1,500 on credit from a supplier named Vincent
10	He successfully sold a picture for RM1,900 received by cheque.
13	Jefri sold one of the prints to a customer named Leonardo for RM850 on credit.
17	The business paid RM900 in rent for the month and also paid RM250 for electricity both by bank.
20	Jefri made a partial payment to Vincent, paying off half of the RM1,500 owed.
21	Jefri received full payment of RM850 from Leonardo.
24	Jefri withdrew RM500 from the business for personal living expenses.
29	Jefri received a bill for repairs amounting to RM300, which he has not yet paid.
30	Lastly, he purchased a computer to use in the business for RM750, paid using cheque.

You are required to complete the following accounting tasks based on the above scenario:

(a) Prepare the necessary ledger accounts to record each of the transactions listed. Ensure that each transaction is posted correctly with both the debit and credit entries.

(17.5 marks)

(b) Using the account balances, prepare a trial balance as at the end of January 2013. This will show the financial position of the business at the end of the first month.

(7.5 marks)

[25 marks]

Question 2

Rania Fashion Enterprise is in the business of buying and selling imported clothing. The following is a trial balance extracted from the books of the business at the end of the accounting year, 31 December 2024.

	Debit	**Credit**
	RM	**RM**
Sales		650,800
Sales returns	1,800	
Sales discount	500	
Rent revenue		5,000
Purchases	338,200	
Purchases discount		600
Purchases return		1,000
Salaries	48,200	
Office supplies expense	350	
Insurance expense	18,000	
Utilities expense	6,000	
Interest expense	750	
Building (at cost)	218,000	
Office equipment (at cost)	50,000	
Accumulated depreciation – Building		16,000
Accumulated depreciation – Office equipment		11,800
Bank	23,350	
Accounts receivable	38,400	
Allowance for doubtful debts		1,300
Inventories (at 1/1/2024)	20,000	

Accounts payable		18,000
5-year Bank loan		30,000
Capital		29,050
	763,550	**763,550**

Additional information:

i. Inventories at 31 December 2024 are valued at RM48,000.

ii. Rent revenue earned but not yet received amounted to RM500.

iii. Salaries accrued amounted to RM1,800.

iv. Office supplies on hand at 31 December 2024 are valued at RM50.

v. Bad debts to be written off is RM1,400. Allowance for doubtful debts is to be estimated at 3% of outstanding accounts receivable.

vi. The owner withdrew RM200 goods for personal use. No entries have been made.

vii. Depreciation is to be charged on the following:

Building – 4% per annum on cost.

Office equipment – 20% on reducing balance method.

Required:

(a) Prepare a Statement of Profit or Loss for the year ended 31 December 2024.

(17 marks)

(b) Prepare a Statement of Financial Position as at 31 December 2024.

(13 marks)

[30 marks]

Question 3

Air Fresh Sdn. Bhd. is a perfume manufacturer located in Senawang, Negeri Sembilan. One of the perfumes "Rich Blossom" was launched in January 2025. The monthly budgeted production is 50,000 units and the selling price is RM59 per unit.

Estimated costs per unit of Rich Blossom are as follows:

	RM
Prime Cost	32
Production overhead	12
Total Production Cost	44
Selling and administrative overhead	7
Total Costs	51

Additional Information:

i. All prime costs are considered variable costs.

ii. One third of the production overhead varies according to unit produced.

iii. 60% of selling and administrative overhead are fixed overhead.

iv. The amount of fixed production overhead and fixed selling and administrative overhead incurred are the same as budgeted.

v. Based on the record, the actual production for January 2025 was 45,000 units and 40,000 units were sold.

Required:

(a) Prepare the income statement for January 2025 using the Variable costing system and Absorption costing system.

(16 marks)

(b) Explain the uses of Variable Costing System.

(4 marks)

[20 marks]

Question 4

Elite Sdn. Bhd. (ESB) produces a special tumbler "MONPIKO" sold for RM69 per unit. The normal yearly production and sales for the tumblers are 10,000 units. The following data consists of costs incurred during the year ended 2024.

	RM
Material (100% variable)	60,000
Labour (60% variable)	70,000
Variable selling expenses	18,000
Fixed selling expenses	45,000
Fixed administrative expenses	30,000

Required:

(a) State **FOUR (4)** limitations of cost volume profit analysis.

(4 marks)

(b) Compute the total variable cost per unit.

(2 marks)

(c) Compute the break-even point in units and value.

(4 marks)

(d) How many units would ESB have to sell if the company targets a profit of RM60,000.

(5 marks)

(e) Compute ESB's margin of safety (in units and RM).

(4 marks)

(f) After the data was collected, the new director realized that manufacturers had increased the variable selling expenses by 25% for the next year. Calculate the new break-even points in units.

(6 marks)

[25 marks]

END OF EXAMINATION PAPER