



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
MARCH 2025 SEMESTER**

COURSE CODE	: EAB10503
COURSE NAME	: FINANCIAL ACCOUNTING AND REPORTING 1
PROGRAMME NAME	: BACHELOR IN ACCOUNTING (HONS)
DATE	: 2 JULY 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 **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 EIGHT (8) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

(Total: 100 marks)

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided.

Question 1

There are several different legal forms of organization. These can be grouped into two categories, known as unincorporated bodies and incorporated bodies. Unincorporated bodies include sole traders and partnerships. All other forms of organization fall under incorporated bodies, which are recognized by law as legal entities separate from their members.

Required:

Explain seven main differences between a limited company and a sole trader.

[7 marks]

Question 2

Elphaba and Galinda are in a partnership that initially shares profits and losses equally. Each partner is entitled to 5% annual interest on capital and annual salaries of RM30,000 to Elphaba and RM18,000 to Galinda.

Starting from 1 July 2024, Elphaba and Galinda agreed to change their profit-sharing ratio. Elphaba will receive $\frac{2}{3}$ and Galinda $\frac{1}{3}$ after allowing each partner 10% interest on capital and salaries of RM36,000 for Elphaba and RM26,000 to Galinda annually.

The financial statements are made up to the 31 December of each year.

The profit for the year ended 31 December 2024 is RM100,000 which is assumed to have been earned evenly over the year.

The following is the statement of financial position as at 31 December 2024 before the appropriation of the profit between the partners and any other entries relating to the change in the partners profit sharing ratio:

Elphaba and Galinda

Statement of Financial Position for the year ended 31 December 2024

ASSETS	RM'000	RM'000	RM'000
<i>Non-current assets</i>			
Freehold premises			530
<i>Current assets</i>			
Inventories			90
Trade receivables			30
Cash and cash equivalents			15
			135
Total assets			665

EQUITY AND LIABILITIES

	Elphaba	Galinda	
<i>Capital</i>			
Capital accounts at 31.12.2023	240	160	400
Current accounts	80	60	140
Net profit			100
	320	220	640
<i>Current liabilities</i>			
Trade payables			25
<i>Total liabilities</i>			25
Total equity and liabilities			665

Additional information:

1. On the 1 July 2024, the freehold land and buildings were revalued at RM630,000. The partners also agreed that the book values of the other assets and liabilities as at 1 July 2024 represented their current net realisable values.
2. The goodwill as at 1 July 2024 was valued at RM60,000, but no goodwill account is to be maintained in the books.

Required:

- (a) Prepare the partners' capital accounts as at 1 July 2024 showing the effects of the change in the partners' profit-sharing ratio on their claims on the partnership assets.

(5 marks)

- (b) Prepare the profit and loss appropriation account for the year ended 31 December 2024.

(8 marks)

- (c) Prepare the statement of financial position as at 31 December 2024, reflecting all adjustments to the partners current accounts arising from the change in the partners profit sharing ratio.

(9 marks)

[22 marks]

Question 3

Hanna is a sole trader operating a pet rabbit boarding and grooming services in the upscale location Mont Kiara. Hanna prepares her financial statements annually to 31 December. Her summarised statements of financial position for the last two years are as follows:

Hanna		
Statement of Financial Position as at 31 December 2024 and 2023		
NON-CURRENT ASSET	2024	2023
Equipment at cost	20,150	21,950
Less: Accumulated depreciation	(12,090)	(8,780)
Equipment at NBV	8,060	13,170
CURRENT ASSET		
Inventories	14,820	12,040
Trade receivables	10,670	13,920
Cash in hand	850	790
	34,400	39,920
EQUITY AND LIABILITIES		
Opening balance	19,140	17,200
Net profit for the year	1,200	5,940
Additional capital introduced	-	3,000
Less: Drawings	(3,000)	(7,000)
NON-CURRENT LIABILITIES		
Loan	3,000	8,000
CURRENT LIABILITIES		
Bank overdraft	1,600	2,400
Account payable	12,460	10,380
	34,400	39,920

Additional information:

1. Depreciation of equipment during the year was RM4,030.
2. Equipment costing RM1,800 was sold for RM1,300 cash when the carrying amount was RM1,080.

Required:

Prepare a statement of cash flows for the year ended 31 December 2024 using the **indirect method**.

[18 marks]

Question 4

As the treasurer of the Beast Pétanque Club, you were given the following summary of the cashbook for the year ended 31 May 2025:

Cashbook

	RM		RM
<u>Balances at start of the year:</u>		Rent	234
Cash at bank	63	Printing and stationery	18
Cash in hand	10	Affiliation fees	12
<u>Subscriptions:</u>		Secretary's expenses	37
Supporters	150	F&B for visiting teams	61
Supporters (prepayments)	20	Annual dinner expenses	102
		Equipment purchased	26
Fees per game	170	<u>Balances at end of the year:</u>	
Annual dinner tickets	134	Cash in bank	49
		Cash in hand	8
	547		547

You were also given the following information:

	31 May 2024	31 May 2025
	RM	RM
<u>Amounts due to the club:</u>		
Subscriptions	14	12
Fees per game	78	53
Annual dinner	6	-
<u>Amounts owing by the club:</u>		
Rent	72	54
Printing	-	3
Secretary's expenses	4	8
Refreshments	13	12

Additional information:

1. As at 31 May 2023, the club's equipment was recorded in the books at RM150.
2. Depreciation of 12.5% is to be charged on the book value of the equipment as at 31 May 2024.

Required:

- (a) Calculate the club's accumulated fund as on 31 May 2024.

(6 marks)

- (b) Prepare the income and expenditure account showing the result for the year ended 31 May 2025.

(13 marks)

- (c) Prepare the statement of financial position as at 31 May 2025.

(7 marks)

Note: Show all relevant workings

[26 marks]

Question 5

Velqin is a manufacturer of mobile and computer accessory products. The trial balance extracted as at 30 April 2025 is given below:

	Debit	Credit
	RM	RM
Factory machinery at cost	28,000	
Factory machinery depreciation 1 May 2024		5,000
Office equipment	2,000	
Office equipment depreciation 1 May 2024		800
Trade receivables and payables	15,000	16,000
Bank	2,300	
Bank loan		11,000
<u>Inventories 1 May 2024:</u>		
Raw materials	4,000	
Work in progress	16,400	
Finished goods	9,000	
Carriage inwards	1,200	
Carriage outwards	700	
Purchases – raw materials	84,000	
Electricity	3,000	
Rent	6,600	
Factory wages	19,900	
Office wages	5,200	
Salesman commissions	1,400	
Sales of finished goods		140,000
Capital account		35,000
Drawings	9,100	
	207,800	207,800

Additional information:

- As at 30 April 2025 accrued factory wages amounted to RM600 and accrued office wages RM100. The rent expenses includes RM600 paid on 20 January 2025 for the period 1 January to 30 June 2025.

2. As at 30 April 2025 the closing inventory consisted of: raw materials RM5,400, work in progress RM17,000 and finished goods RM8,000.
3. Depreciation for factory machinery is calculated using the straight-line method over seven years. Office equipment is depreciated on the reducing balance method at 25 per cent per annum.
4. Provision of RM1,000 is to be made for doubtful debts.
5. Electricity expenses should be apportioned between the factory and office in the ratio of 4:1 and rent expenses in the ratio of 3:1.

Required:

- (a) Prepare a manufacturing account for the year ended 30 April 2025.

(8 marks)

- (b) Prepare a statement of profit or loss for the year ended 30 April 2025.

(8 marks)

- (c) Prepare a statement of financial position as at 30 April 2025.

(11 marks)

[27 marks]

END OF EXAMINATION PAPER