

**UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL****FINAL EXAMINATION
JANUARY 2016 SEMESTER**

SUBJECT CODE	:	EIB 10403
SUBJECT TITLE	:	FINANCIAL ACCOUNTING
LEVEL	:	BACHELOR
TIME / DURATION	:	9.00 AM - 12.00 P.M / 3 HOURS
DATE	:	28th MAY 2016

INSTRUCTIONS TO CANDIDATES

1. Please read the instructions given in the question paper CAREFULLY.
2. This question paper is printed on both sides of the paper.
3. This question paper consists of FIVE (5) questions. Answer ALL questions.
4. Please write your answers in the answer booklet provided.
5. All questions must be answered in English (any other language is not allowed).
6. This question paper must not be removed from the examination hall.

THERE ARE (9) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

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(Total: 100 marks)

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided.

Question 1

Given below are transactions for the month of May 2016 for Iman Bakery.

1. Injected cash into the business amounting RM100,000.
2. Bought goods worth RM8,000 on credit from Bees Trading.
3. Received cheque RM200,000 for MARA loan.
4. Sold goods RM1,000 on credit to Eastern Enterprise.
5. Paid advertising expense amounting RM700 by cash.

Required:

Show the effect upon asset, expense, capital, revenue and liability for the following transactions using the example below.

(10 marks)

Example:

Paid cash RM1,000 for insurance.

ASSET	EXPENSE	CAPITAL	REVENUE	LIABILITY
Decrease (Cash)	Increase (Insurance)			

(Total: 10 marks)

Question 2

A. Briefly identify **THREE (3)** external users of accounting information and explain their information needs.

(6 marks)

B. Complete the gaps in the following table:

	ASSET	LIABILITY	CAPITAL	INCOME	EXPENSES
a)	52,200	15,000	?	17,000	5,000
b)	53,056	?	37,254	9,248	3,656
c)	50,524	?	52,000	7,569	15,545
d)	110,204	25,046	42,052	?	16,545
e)	23,646	15,025	28,025	50,485	?
f)	29,981	3,500	?	5,598	5,666
g)	?	41,652	79,743	65,545	5,335
h)	56,334	7,844	46,721	8,125	?
i)	32,200	12,756	?	10,022	36,062
j)	23,197	?	18,815	3,594	5,712

(10 marks)

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- C. Chantique Enterprise specializes in jewellery, is owned and managed by Mohd Aniq since 2010. On 1 January 2016, Chantique Enterprise sent promotional brochures to several government offices in Ipoh, Perak. On 4 January 2016, Chantique sold a wedding ring to Datin Azee for RM5,500 on credit and immediately recorded the transaction in the business books. However, Datin Azee settled the full amount on 15 January 2016.

Required:

- i. Identify **TWO (2)** accounting concepts applied in the above scenario. (2 marks)
- ii. Explain the accounting concepts identified in (i) above. (2 marks)

Total: 20 marks

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Mr. Syazwan, who runs My Bubbles Enterprise, had the following balances extracted from the books of his business on 30th April 2016:

	Debit (RM)	Credit (RM)
Capital		70,000
Machinery	45,600	
Fixtures & Fittings	22,940	
Inventory as at 1 st May 2015	16,000	
Account Receivables and Account Payables	28,650	21,481
Cash at bank	6,100	
Drawings	350	
Loan from Maybank		10,000
Purchases and Sales	172,092	248,900
Return Inwards and Return Outwards	372	270
Carriage Inwards	312	
Discount Received		366
Commission Received		3,000
Bad debt	500	
Rent expenses	6,600	
General expenses	5,906	
Discount allowed	3,200	
Salaries & Wages	30,000	
Travelling expenses	2,900	
Utility expenses	2,995	
Selling expenses	5,600	
Advertising expenses	3,900	
Total	354,017	354,017

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Additional information:

1. Inventory on 30th April 2016 was valued at RM2,550.

2. <u>Accruals:</u>	<u>RM</u>
Rent expenses	2,500
Discount received	125

3. <u>Prepayments:</u>	<u>RM</u>
Salaries & Wages	10,500
Advertising expenses	450

4. Depreciation charges on non-current assets were as follows:

	<u>RM</u>
Machinery	4,560
Fixtures & Fittings	1,040

5. Additional bad debts of RM200 were to be written off.

6. Mr. Syazwan took RM500 of cash from bank and RM5,600 of goods for personal use.

Required:

A. Prepare statement of profit and loss and other comprehensive income for the year ended 30 April 2016.

(16 marks)

B. Prepare statement of financial position as at 30 April 2016.

(14 marks)

Total: 30 marks

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Question 4

ABC Enterprise
Statement of Profit and Loss and Other Comprehensive Income
for the year ended 31 December 2015

	RM	RM
Sales		450,000
Less: Cost of goods sold		
Opening inventory	25,000	
Add: Purchases	<u>200,000</u>	
	225,000	
Less: Closing inventory	(15,000)	(210,000)
Gross Profit		240,000
Add: Other revenue		<u>18,300</u>
		258,300
Less: Expenses		(141,300)
Net Profit		<u>117,000</u>

ABC Enterprise
Statement of Financial Position as at 31 December 2015

	RM	RM
Non-Current Assets		270,600
Current Assets		
Inventory	15,000	
Accounts receivable	<u>45,500</u>	
Cash	10,500	
Bank	<u>30,150</u>	<u>102,150</u>
		<u>372,750</u>
Financed by:		
Owner's equity		
Capital at the beginning of the year		130,000
Add: Net profit		<u>117,000</u>
		247,000
Less: Drawing		(10,650)
Capital at the end of the year		236,350
Non-Current Liabilities		
Bank Loan		95,000
Current Liabilities		
Accounts payable		<u>41,400</u>
		<u>372,750</u>

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Required:

A. Calculate the following ratios **AND** interpret the results:

- i. Current ratio (2.5 marks)
- ii. Quick ratio (3 marks)
- iii. Inventory turnover ratio (3.5 marks)
- iv. Account receivable collection period (3 marks)
- v. Gross profit margin (3 marks)
- vi. Net profit margin. (3 marks)

B. State **TWO (2)** objectives of financial statement analysis.

(2 marks)

Total: 20 marks

Question 5

Below are the summary of cash book (bank column) and the bank statement of Sukacita Trading as at 31 October 2015.

Cash Book (Bank column)

Oct 2015	Particulars	RM	Oct 2015	Particulars	Cheque No.	RM
1	Balance b/d	110,000	1	Electricity	78111	250
3	WC Supplies	2,100	2	KS Trading	78112	3,200
19	Salam Sdn Bhd	1,110	14	Syamsul Ent	78113	1,000
24	Imran Supplies	2,000	16	Rent	78114	3,000
30	Devi Res	1,200	20	Adam Services	78115	125
	Adam Services	1,300	21	Syuhada Ent	78116	450
	Mat Boutique	1,000		Imran Supplies	78117	500
	Emy Flowers	2,000	31	Balance c/d		112,185
		120,710				120,710

Bank Statement for the month of October 2015

Date Oct 15	Particulars	Debit (RM)	Credit (RM)	Balance (RM)
1	Balance b/d			+110,000
3	Cheque –no. 78111	250		+109,750
4	Credit transfer		300	+110,050
7	Deposit		2,100	+112,150
8	Standing order	750		+111,400
11	Credit transfer		1,700	+113,100
14	Standing order	250		+112,850
18	Cheque – no. 78112	3,200		+109,650
20	Deposit		1,110	+110,760
21	Cheque – no. 78114	3,000		+107,760
24	Bank charges	30		+107,730
25	Deposit		2,000	+109,730
28	Direct debit	200		+109,530
28	Cheque – no. 78117	500		+109,030
29	Dishonoured cheque	1,120		+107,910
31	Cheque – no. 78116	450		+107,460
31	Cheque – no. 78118	2,000		+105,460

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Additional information:

1. A payment of RM2,000 (cheque no. 78118) to Emy Flowers was wrongly entered as a receipt in the cash book

Required:

- A. Prepare an adjusted cash book. (10 marks)

- B. Prepare a bank reconciliation statement as at 31 October 2015. (10 marks)

Total: 20 marks

END OF QUESTION PAPER