



UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL

FINAL EXAMINATION
JANUARY 2016 SEMESTER

SUBJECT CODE : EAB10403
SUBJECT TITLE : FINANCIAL ACCOUNTING
LEVEL : BACHELOR
TIME / DURATION : 9.00 AM - 12.00 P.M / 3 HOURS
DATE : 31st 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. Answer all questions in English language only.
6. This question paper must not be removed from the examination hall.

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

SECRET
→

SECRET - CONFIDENTIAL

SECRET

SECRET

SECRET - CONFIDENTIAL

CONFIDENTIAL

(Total: 100 marks)

INSTRUCTION: Answer ALL questions

Please use the answer booklet provided

Question 1

Encik Alif is the owner of Zees Coffee, a small coffee shop in Cheras. Before he decided to start his own coffee shop, he had gained 3 years experience in handling all types of coffee drinks while working with the famous kopitiam in his hometown, Sungai Petani. Encik Alif created various types of coffee such as cappuccino frappuccino, espresso, mocha and white coffee. He hired 2 workers to help him out. During its early months of operations, the business has built up a steady flow of customers mostly from the business people and students in the area and a few elderly citizens who dropped by for a daily coffee.

On 30 June 2015, after 6 months in operation, Encik Alif was able to produce the following figures:

Particulars	RM
Cash in bank	6,900
Cash on hand	1,500
Store equipment	14,000
Withdrawals	100
Utilities expenses	600
Account payable	4,000
Capital	14,500
Bank loan	??
Administrative sales	1,200
Rental paid	6,000
Finance expenses	2,000
Wages and salaries	200
	3,000

However he faced difficulty in preparing the financial statements due to his zero knowledge in accounting.

Required:

Based on the case study above, answer the following questions:

a) Identify the form of business organisation that Encik Alif has chosen for his business. (1 mark)

b) State 5 characteristics of the business organization set up by Encik Alif. (5 marks)

c) Prepare the trial balance from the list of accounts given above. (7 marks)

d) Assume that the estimated life of store equipment is only 5 years and the scrap value is RM3,000, calculate the current year depreciation for store equipment for the year ended 30 June 2015 using the straight line method on a yearly basis. (4 marks)

e) Briefly explain the following terms:

- i) Non - current liabilities
- ii) Current assets

(3 marks)

Total: 20 marks

Question 2

The following trial balance has been extracted from the ledger of Alam Gemilang, a business owned by Ashriq as at 30 June 2015.

**Alam Gemilang
Trial Balance as at 30 June 2015**

Accounts	Debit (RM)	Credit (RM)
Capital		120,000
Drawings	5,000	
Bank Loan		15,000
Account payable		18,800
Motor vehicles	170,000	
Furniture	9,000	
Accumulated depreciation: Motor vehicles		17,000
Furniture		1,800
Sales		490,000
Return inwards	1,200	
Inventory as at 1 July 2014	20,500	
Purchases	350,500	
Return outwards		6,500
Carriage inwards	2,000	
Cash	4,500	
Bank	6,800	
Account receivables	30,000	
Allowance for doubtful debts		2,000
Bad debts	2,500	
Telephone expenses	3,000	
Utility expenses	1,600	
Insurance expenses	3,000	
Carriage outwards	4,700	
Discount allowed	2,500	
Salaries and wages	64,000	
Rental income		2,500
Discount received		2,200
Commission received		5,000
	680,800	680,800

The following additional information is also available:

1. Inventory as at 30 June 2015 was RM15, 550.

2. Depreciations are to be provided as follows:

Motor vehicles	10% per annum using the straight line method
Furniture	5% per annum using the straight line method

3. Telephone expenses of RM500 and salaries and wages of RM4,000 were both accrued as at 30 June 2015.

4. The allowance for doubtful debts is to be decreased by RM250.

5. Insurance of RM300 was prepaid as at 30 June 2015.

Required:

a. Prepare a statement of profit or loss and other comprehensive income for the year ended 30 June 2015.

(16 marks)

b. Prepare a statement of financial position as at 30 June 2015.

(14 marks)

Total: 30 marks

CONFIDENTIAL

Question 3

The trial balance of Senang Lenang Berhad as at 31 December 2015 showed a difference of RM5700 credit which was posted to a suspense account.

Draft final accounts for the year ended 31 December 2015 were prepared showing a net profit of RM48,360.

The following errors were subsequently discovered:

1. Sales of RM560 to Perniagaan Bujang Senang have been debited to Bujang Senang Manufacturing.
2. A payment of RM386 for telephone charges has been entered on the debit side of the telephone account as RM486.
3. The sales journal has been undercast by RM3,000
4. Repairs to machine amounting to RM410 have been charged to machinery account.
5. A cheque of RM2,600 being rent received from Aksara Enterprise has only been entered in the cash book.
6. Purchase from Syarikat Labu Labi amounting to RM875 has been received on 31 December 2015 and included in the closing stock at that date but the invoice has not been entered in the purchases journal.

Required:

- a) Prepare the necessary journal entries (without narration) to correct above errors.
(6 marks)
- b) Prepare the suspense account.
(4 marks)
- c) Show the effect of each of these adjustments on the net profit in the draft accounts and the correct profit for the year ended 31 December 2015.
(5 marks)

Total: 15 marks

Question 4

Below is the trial balance as at 31 March 2015 of Roshahida who runs a stationery business.

	Dr (RM)	Cr (RM)
Inventory as at 1 April 2014	23,600	
Carriage outwards	2,000	
Carriage inwards	3,100	
Return inwards and return outwards	2,000	3,200
Purchases and sales	118,700	213,800
Salaries and wages	38,700	
Motor expenses	700	
Office expenses	6,600	
General expenses	6,900	
Motor vehicles	81,000	
Fixtures and fittings	18,000	
Account Receivable and account payable	15,500	35,300
Cash at bank	39,000	
Drawings and Capital	4,800	108,300
	360,600	360,600

Inventory as at 31 March 2015 was RM29,400.

You are required to calculate the following:

i. Gross profit margin

(3 marks)

ii. Net profit margin

(3 marks)

CONFIDENTIAL

iii. Inventory turnover ratio

(4 marks)

iv. Accounts receivable collection period (assuming all sales are credit sales)

(3 marks)

v. Current ratio

(4 marks)

vi. Acid-test ratio

(3 marks)

[Total: 20 marks]

Question 5

Roshahida's cash book and the bank statement which she received from the bank for the month of January 2016 are shown below:

Bank Account

2016		RM	2016		RM
Jan 1	Balance b/d	200.20	Jan 7	Cheque book	5.00
3	Cash deposit	6,000.00	7	Lim Auto- 89090	450.00
4	Electronic fund transfer	1,500.00	8	Calmex Bhd- 89091	600.00
30	Ros Brothers	100.00	10	Ali-89092	343.00
			28	Ben - 89094	300.00
			31	Balance c/d	6,102.20
		7,800.20			7,800.20
Feb 1	Balance b/d	6,102.20			

Alam Bank

Bank Statement for the month ended 31st January 2016

Date	Particulars	Debit	Credit	Balance
2016		RM	RM	RM
Jan 1	Balance b/d			200.20(cr)
3	Cash deposit		6,000	6,200.00
4	Electronic fund transfer		1500,00	7,700.20
6	Cheque book	5.00		7,695.20
8	Clearing Cheque	450.00		7,245.20
10	Clearing Cheque	600.00		6,645.20
12	Clearing Cheque	343.00		6,302.20
15	Bank GIRO Credit		542.00	6,844.20
20	Direct Debit	465.00		6,379.20
25	Interest		245.80	6,625.00
28	Bank Charges	10.00		6,615.00

CONFIDENTIAL

Required:

- A. Update the cash book (bank column). (6 marks)
- B. Prepare a bank reconciliation statement as at 31st January 2016. (6 marks)
- C. Explain **THREE (3)** reasons why balance in the cash book and bank statement is unequal. (3 marks)

Total: 15 marks

END OF QUESTION PAPER

