



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
JULY 2025 SEMESTER**

COURSE CODE	: EAP00104
COURSE NAME	: INTRODUCTION TO FINANCIAL ACCOUNTING
PROGRAMME NAME	: FOUNDATION IN BUSINESS
DATE	: 15 DECEMBER 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 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 TEN (10) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total:25 Marks)**INSTRUCTION: Answer ALL questions.****Please use the answer booklet provided.**

1. What is the primary role of accounting?
 - A. Control employees
 - B. Record business transactions
 - C. Pay taxes
 - D. Advertise products

2. What is main objective of financial statements to use as a tool of communication?
 - A. Provide information to managers only
 - B. Show tax payable
 - C. Provide useful information to users for decision making
 - D. Reduce company expenses

3. Accounting in Malaysia is governed with rule and guideline, what are is rule and guideline are?
 - A. Management and board of director decision
 - B. GAAP, MFRS and MPERS
 - C. Employees and creditors preference
 - D. Tax and custom authority

4. Who are the main users of financial accounting information?
 - A. Managers
 - B. External stakeholders
 - C. Employees
 - D. Board of directors

5. Which principle requires to record any assets bought at their purchased cost?
 - A. Historical Cost Principle
 - B. Going Concern Assumption
 - C. Materiality Assumption
 - D. Accrual Principle

6. The assumption that money is the common unit in accounting is called?
- A. Business Entity
 - B. Time Period Assumption
 - C. Monetary Unit
 - D. Going Concern Assumption
7. Which principle requires revenue to be recorded when earned, not when cash is received?
- A. Time Period Assumption
 - B. Materiality Assumption
 - C. Matching Principle
 - D. Accrual Principle
8. The separate entity concept in accounting explained that:
- A. Owners and businesses are the same entity
 - B. Owners and businesses are separate entity
 - C. Owners is not involved in business
 - D. Owners is involved in business
9. Which answer below is **NOT** an accounting equation element?
- A. Assets
 - B. Equity
 - C. Liabilities
 - D. Cost
10. If cash is paid for rental, the effect on accounting equation would be?
- A. Decrease Asset & Increase Expense
 - B. Increase Asset & Increase Liability
 - C. Increase Asset & Increase Equity
 - D. Decrease Liability & Increase Asset
11. If a business bought an equipment on credit, the effect on accounting equation would be?
- A. Increase Asset & Increase Liability
 - B. Increase Asset & Decrease Asset
 - C. Increase Asset & Increase Revenue
 - D. Decrease Liability & Decrease Asset

12. Which account increases with a debit?
- | | |
|---------------------|------------|
| A. Accounts Payable | B. Capital |
| C. Revenue | D. Cash |
13. Which account increases with a credit?
- | | |
|------------|--------------|
| A. Expense | B. Liability |
| C. Cash | D. Inventory |
14. In double-entry bookkeeping, every transaction will affect:
- | | |
|------------------------|--------------------------|
| A. One account | B. Two or more accounts |
| C. Only asset accounts | D. Only expense accounts |
15. The purchase RM1,000 of office supplies on credit RM500 and cash RM500 will be recorded as:
- A. Debit Supplies RM1,000, Credit Cash RM1,000 and Credit Accounts Payable RM1,000
- B. Debit Supplies RM1,000, Credit Cash RM500 and Credit Accounts Payable RM500
- C. Debit Accounts Receivable RM500, Credit Cash RM500 and Credit Supplies RM1,000
- D. Debit Accounts Receivable RM1,000, Credit Cash RM1,000 and Credit Supplies RM1,000
16. When business received RM2,300 cash from a customer on account, the transaction will be recorded as:
- A. Debit Cash RM2,300, Credit Revenue RM2,300
- B. Debit Revenue RM2,300, Credit Cash RM2,300
- C. Debit Cash RM2,300, Credit Accounts Receivable RM2,300
- D. Debit Accounts Receivable RM2,300, Credit Cash RM2,300
17. At the end of every month business pays salaries to its employee through bank. The double entry for the transaction would be:
- A. Debit Bank, Credit Salaries Expense
- B. Debit Salaries Payable, Credit Bank
- C. Debit Salaries Expense, Credit Bank
- D. Debit Capital, Credit Salaries Expense

18. What is the double entry record for depreciation expense charge at the end of every year?
- A. Debit Depreciation Expense, Credit Accumulated Depreciation
 - B. Debit Accumulated Depreciation, Credit Depreciation Expense
 - C. Debit Cash, Credit Equipment
 - D. Debit Cash, Credit Depreciation Expense
19. What is the first step in the accounting cycle?
- A. Posting to the ledger
 - B. Preparing trial balance
 - C. Recording transactions in the journal
 - D. Identifying and analyzing transactions
20. What is the function of source documents in the accounting cycle used for?
- A. Post adjustments
 - B. Verify financial statements
 - C. Provide evidence of transactions
 - D. Close accounts
21. How an accrued expense at period end occurred?
- A. An expense incurred but not paid
 - B. An expense paid in advance
 - C. A liability already settled
 - D. Revenue not earned
22. When a business paid for accrued salaries RM32,000 to the employees, the transaction would be:
- A. Debit Salaries Expense RM32,000, Credit Salaries Payable RM32,000
 - B. Debit Salaries Payable RM32,000, Credit Cash RM32,000
 - C. Debit Cash RM32,000, Credit Salaries Expense RM32,000
 - D. Debit Salaries Expense RM32,000, Credit Cash RM32,000

23. What is the main difference between service and merchandising businesses accounting?
- A. Type of customers
 - B. Use of cash basis
 - C. Inventory held for resale
 - D. Method of preparing balance sheet
24. In a merchandising business, revenue is recognized when:
- A. Services are completed
 - B. Goods are delivered
 - C. Payment is received in cash
 - D. The order is placed
25. What is the formula for Gross Profit for merchandising businesses?
- A. Sales – Purchases
 - B. Sales – (Cost of Goods Sold + Expenses)
 - C. Net Sales – Cost of Goods Sold
 - D. Net Sales – Sales Returns

SECTION B (Total: 25 Marks)

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided.

Question 1

- a) By using accounting equation “Asset = Liability + Equity”. Find the missing amounts for each of the following (write provide necessary workings).

<u>Assets (RM)</u>	<u>Liabilities (RM)</u>	<u>Equity (RM)</u>
85,000	(a)	42,000
(b)	75,500	69,500
120,000	66,000	(c)
(d)	42,700	53,300
64,800	(e)	46,500

(5 marks)

- b) Encik Ramlan started a catering business namely Rahman Delicious Catering Enterprise on 1 June 2025. On that month, the business has completed the following transactions during the first week of that month.

Transactions:

- 1 Encik Ramlan invested RM25,000 cash and RM 5,000 kitchen equipment into the business.
- 4 Purchased kitchen equipment RM8,000; paid RM3,000 cash, balance on credit.
- 7 Paid RM1,200 for 6 months’ rental in advance.
- 11 Bought inventories such as food supplies on credit RM2,500.
- 13 Bought another inventory using cash RM1,000.
- 17 Provided catering service and received RM5,700 cash.
- 20 Paid part of accounts payable RM1,000.
- 30 Paid salaries and utilities bills RM800 and RM500 respectively by cash.
- 30 Owner withdrew RM500 cash for personal use.

Required:

Record the transactions using sample of work sheet table given below.

Date	Cash	Prepaid Rent	Equipment	Inventories	Account Payable	Capital	Drawings	Revenue	Expenses

(10 marks)

- c) Zara Dahlia Enterprise is a retailing business which provides grocer items to local community. Below are the transactions that occurred on the month of August 2025.

- Aug 1 Balance brought forward Cash RM 6,000 and Bank RM 20,000
- Aug 2 Cash sales RM 5,000 deposited into bank
- Aug 3 Purchased office furniture by cheque RM 4,400
- Aug 4 Paid salaries in cash RM 2,400
- Aug 5 Cheque issued to supplier Ali RM 6,000
- Aug 6 Received cheque from customer Aina RM 9,000 and deposited into bank
- Aug 7 Paid electricity bill RM 1,200 by cheque
- Aug 8 Cash withdrawn from bank for office use RM 3,000
- Aug 9 Received cash from sales RM 5,600
- Aug 10 Paid rent RM 4,000 by cheque
- Aug 11 Cash deposited into bank RM 4,000
- Aug 12 Received commission by cheque RM 2,400

Required:

Prepare a Cash book as at 30 September 2025.

(10 marks)

SECTION C (Total: 50 Marks)

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided.

Question 1

Ramli as an owner to Bakti Setia Enterprise start his business as a sole proprietorship on 1 July 2025. Below are the transactions occurred on that month.

Date	Transaction
July 1	Started business with RM20,000 cash
July 3	Deposited RM15,000 cash into bank
July 5	Purchased goods on credit RM1,200 from Lina
July 6	Purchased office equipment RM5,000 by cheque
July 9	Bought goods for cash RM1,800
July 11	Sold goods on credit RM950 to Adam
July 15	Returned goods to Lina RM200
July 17	Sold goods for cash RM1,250
July 22	Bought furniture on credit from Jati Enterprise RM2,400
July 27	Paid Lina by cheque RM1,000
July 31	Paid Jati Enterprise by cheque RM2,400

Required:

- a) Record the above transactions into relevant ledgers. (21 marks)
- b) Record the Trial Balance as at 31 July 2025. (4 marks)

Question 2

Puan Zue is an owner of Pasar Raya Mini Orchid which has been operated since 2010. The mini market supplies products such as groceries items to local community nearby. Below is the trial balance for the business for the year ended September 2025.

	<u>Debit (RM)</u>	<u>Credit (RM)</u>
Sales		430,000
Purchases	3300,000	
Inventory as at 1 October 2024	30,000	
Salaries	90,000	
Insurance	12,000	
Vehicle maintenance	10,000	
Bad debts	8,000	
Accounts receivable	95,000	
Cash at bank	80,000	
Interest on loan	9,000	
Drawings	30,000	
Telephone and utilities	4,000	
Carriage outwards	8,000	
Discount allowed	10,500	
Vehicles	100,000	
Equipment's	60,000	
Building	400,000	
Accumulated depreciation – vehicles		25,000
Accumulated depreciation – equipment's		20,000
Accumulated depreciation – building		80,000
Capital		550,000
8% Long term loan		120,000
Accounts payable		17,000
Discount received		8,000
Carriage inwards		3,500
Totals	1,250,000	1,250,000

Additional information:

- a. Inventory as at 31 August 2025 was RM42,000.
- b. Business depreciation policies is to depreciate it's non-current assets using straight line method based on useful life. Given are the policies relate to business non-current assets:
 - i. Building: useful life 20 years
 - ii. Vehicles: useful life 5 years
 - iii. Equipment's: useful life 10 years
 - iv. All non-current assets have no residual value
- c. Accrued utilities bill RM800.
- d. The insurance amount in trail balance was include with prepaid insurance RM2,500.
- e. Provide allowance for doubtful debts at 5% of accounts receivable.

Required:

- a) Prepare Statement of Profit or Loss for the year ended 31 August 2025. (12 marks)
- b) Prepare Statement of Financial Position as at 31 August 2025. (10 marks)
- c) Explain briefly about intangible asset (3 marks)

END OF EXAMINATION PAPER