



UNIVERSITI KUALA LUMPUR
KAMPUS CAWANGAN MALAYSIAN SPANISH INSTITUTE

FINAL EXAMINATION
OCTOBER 2025 SEMESTER

COURSE CODE : SIB12503 (V2)
COURSE TITLE : PRINCIPLE OF ACCOUNTING
PROGRAMME NAME : BACHELOR OF BUSINESS TECHNOLOGY (HONOURS) IN
AUTOMOTIVE MANAGEMENT
DATE : 03 FEBRUARY 2026
TIME : 9:00AM - 12:00PM
DURATION : 3 HOURS

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 consist of TWO sections.
4. Answer ALL questions for Section A.
5. Section B consist of four questions. Answer THREE (3) questions only.
6. Please write your answer on the answer booklet provided.
7. Please answer all questions in English only.
8. Please answer MCQ/EMQ questions using OMR sheet. *Tick if applicable*
9. Refer to the attached Formula/ Appendies. *Tick if applicable*

THERE ARE 10 PAGES OF QUESTIONS INCLUDING THIS PAGE

SECTION A (Total: 40 marks)

Answer ALL questions.

Please use the answer booklet provided.

Question 1

The accounting process is a systematic procedure used to identify, record, classify, summarize, and communicate financial information of an entity.

- (a) Describe the concepts of assets and liabilities based on the accounting framework. In your answer, express why correct classification is important in preparing the statement of financial position.

(10 marks)

- (b) The following information relates to ABC Enterprise as at 31 December 2024:

Refer Below - Figure 1 : Accounts .

Item	RM
Cash	18,000
Accounts receivable	12,000
Inventory	20,000
Equipment	60,000
Accumulated depreciation – equipment	15,000
Accounts payable	14,000
Bank loan (repayable in 5 years)	30,000

Figure 1: Accounts

- i. Calculate total assets.

(6 marks)

- ii. Determine amount of owners' equity.

(4 marks)

Question 2

The following information relates to ZARA Enterprise for the year ended 31 December 2024.

On 1 October 2024, ZARA Enterprise paid RM6,000 for office rental covering a period of six months. The payment was recorded in the books as rent expense.

Electricity expenses for December 2024 amounting to RM850 have not yet been paid nor recorded as at 31 December 2024.

Before adjustments, the Trial Balance as at 31 December 2024 shows:

Rent expense: RM6,000

Electricity expense: RM2,150

- (a) Identify the prepayment and accrual items from the information given and explain the accounting treatment for each based on the accrual basis of accounting.
(8 marks)
- (b) Prepare the adjusting journal entries for both the prepayment and accrual as at 31 December 2024.
(7 marks)
- (c) Calculate the correct balances of Rent Expense, Prepaid Rent, Electricity Expense, and Accrued Electricity Expense to be reported in the adjusted Trial Balance.
(5 marks)

SECTION B (Total: 60 marks)

Answer THREE (3) questions only.

Please use the answer booklet provided.

Question 1

Additional Information as at 31 December 2024:

Rent prepaid amounting to RM1,200 relates fully to January 2025 and should be adjusted accordingly.

Salaries expense does not include accrued expenses of RM500.

Allowance for doubtful debts is to be adjusted to 5% of accounts receivable.

Depreciation expense for the year is RM4,000.

Closing inventory at the end of the year is valued at RM20,000.

The unadjusted trial balance of XYZ Company as at 31 December 2024 is shown below.

Prepare the Statement of Profit or Loss for XYZ Company for the year ended 31 December 2024, after incorporating all the adjustments.

Refer Below - Figure2 : Unadjusted Trial Balance .

(20 marks)

Account	Debit (RM)	Credit (RM)
Sales Revenue		150,000
Purchases	70,000	
Salaries Expense	20,000	
Rent Expense	15,000	
Accounts Receivable	12,000	
Allowance for Bad Debts		1,000
Accrued Expenses		500
Prepaid Rent	1,200	
Depreciation Expense	4,000	
Bad Debt Expense		
Capital		50,000
Sales Return	50,000	
Drawings	5,000	
Other Expenses	6,000	
Total	133,200	201,500

Figure 2: Unadjusted Trial Balance

Question 2

ABC Enterprise is a sole proprietorship. Additional Information:

- Closing inventory at 31 December 2024 was RM34,000.
- Salaries of RM3,000 were outstanding at year-end.
- Rent of RM2,000 was prepaid relating to January 2025.
- Depreciation for the year:
 - Building: RM6,000
 - Motor vehicles: RM8,000
- Allowance for doubtful debts is to be adjusted to 5% of accounts receivable.

Based on the following trial balance as at 31 December 2024, prepare the Statement of Financial Position of ABC Enterprise as at 31 December 2024.

Refer Below - Figure3 : Trial Balance .

(20 marks)

Account	RM	RM
Capital		120,000
Drawings	18,000	
Land and building	150,000	
Accumulated depreciation – building		30,000
Motor vehicles	60,000	
Accumulated depreciation – motor vehicles		24,000
Inventory (1 Jan 2024)	28,000	
Accounts receivable	42,000	
Allowance for doubtful debts		2,000
Cash at bank	15,000	
Accounts payable		26,000
Loan (repayable in 2028)		40,000
Sales		210,000
Purchases	135,000	
Salaries expense	32,000	
Rent expense	12,000	
Utilities expense	6,000	
Total	498,000	498,000

Figure 3: Trial Balance

Question 3

The trial balance of Jamil Enterprise as at 31 December 2024 is as follows.

Additional Information:

- Closing inventory on 31 December 2024 is valued at RM30,000.
- Depreciate fixtures and fittings at 10% per annum (straight-line method).
- Insurance includes RM500 prepaid for the next year.
- Accrued utilities expense of RM600 is unpaid at year-end.
- Allowance for doubtful debts should be 3% of trade receivables.
- A bad debt of RM1,000 is to be written off.
- Rent expense includes RM2,000 prepaid for next year.
- The adjusted capital account to be capitalized in SOFP is RM15,500, after taking net profit and drawings into consideration.

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

Refer Below - Figure4 : Account Lists .

(20 marks)

Account Title	Debit (RM)	Credit (RM)
Sales Revenue		250,000
Sales Returns	5,000	
Purchases	140,000	
Purchase Returns		7,000
Inventory (1 Jan 2024)	25,000	
Trade Receivables	30,000	
Trade Payables		20,000
Salaries and Wages	40,000	
Rent Expense	15,000	
Utilities Expense	4,500	
Insurance Expense	3,000	
Fixtures and Fittings	35,000	
Accumulated Depreciation - Fixtures and Fittings		5,000
Bank Loan		60,000
Capital		100,000
Drawings	12,000	
Cash at Bank	8,000	
Total	297,500	297,500

Figure 4: Account Lists

Question 4

Momoa Engineering Sdn. Bhd. purchased a machine on 1 January 2023 at a cost of RM150,000. The machine has an estimated useful life of 5 years and a residual value of RM10,000.

The company is considering two depreciation methods, Straight-Line Method and Double Declining Balance Method.

- (a) Calculate the annual depreciation expense and carrying amount at the end of each year for the first three years using the Straight-Line Method.

(6 marks)

- (b) Compute the depreciation expense and carrying amount at the end of each year for the first three years using the Double Declining Balance Method.

(6 marks)

- (c) Analyze and compare the effects of both depreciation methods on:
- Reported profit
- Carrying amount of the asset during the early years of the asset's life.

(4 marks)

- (d) Based on your analysis, recommend the most suitable depreciation method if the machine is expected to generate higher economic benefits in the early years, with justification.

(4 marks)

END OF EXAMINATION PAPER

