CONFIDENTIAL

UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
JULY 2025 SEMESTER

COURSE CODE	:	**EAB11902**
COURSE NAME	:	**BASIC COMPUTERISED ACCOUNTING**
PROGRAMME NAME	:	**BACHELOR IN ACCOUNTING (HONS)**
DATE	:	**19 SEPTEMBER 2025**
TIME	:	**3.00 PM – 6.00 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 FOUR (4) 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 SIX (6) 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

Many accounting software packages implement the different transaction cycles as separate modules. Not every module is needed in every organisation, such as retail companies don't have a production cycle. Some companies may need extra modules. So, the implementation of each transaction cycle can differ significantly across companies.

Required:

(a) Explain **FIVE (5)** major transaction cycles.

(10 marks)

(b) Sarah worked as an account's assistant at a retail shop. She is using accounting software package to record sales and cash receipts transactions in journals and accounts. She noticed that she has incorrectly calculated sales for the previous month and posted to the wrong customer accounts. This is one of the primary risks associated with revenue cycle transactions.

Recommend **FIVE (5)** physical internal controls that the company could implement to mitigate the risk.

(10 marks)

[20 marks]

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Question 2

Hafiz Bike Sdn. Bhd. is a motorcycle wheel manufacturing firm founded in 2000 that currently employs 201 people. The company produces wheels in its factory located at Gombak, Selangor. Each wheel is based on a number of different measurements, including height and weight. By accepting orders only through licensed dealers, Hafiz Bike Sdn Bhd ensures that each wheel matches its measurement precisely.

All purchases of raw materials are initiated in the Hafiz Bike's purchasing department. A clerk in the department monitors inventory levels from his personal computer (PC), which is linked to the inventory subsidiary ledger. Once a part needs to be replenished, he creates three hard copies of the purchase order. One copy is mailed to the vendor, a second copy of the purchase order is sent to the warehouse, and the third copy is filed in the purchasing department.

Typically, within 3 business days, the warehouse receives the ordered parts and the packing slip from the vendor, which the warehouse clerk reconciles with the second copy of the purchase order. Once the reconciliation is complete, the warehouse clerk prepares a three-part hard copy of the receiving report stating the quantity and condition of the items received. One copy of the receiving report is sent to the general ledger department to update the digital inventory control account. The second copy of the receiving report is sent to the accounts payable department and the third copy is sent to the purchasing department to update the inventory subsidiary ledger.

Within a week, the mail room receives the supplier's invoice, which is immediately sent to the accounts payable department. The accounts payable clerk reconciles the invoice with the receiving report and then records a liability in the accounts payable subsidiary ledger from the department PC. Finally, the clerk prints an accounts payable summary from the terminal and sends it to the general ledger clerk.

The accounts payable clerk regularly checks the accounts payable subsidiary account at his terminal to ensure timely payment to vendors. For those items due for payment, he sends approval in the form a of payment voucher to the cash disbursement department.

For control purposes, cash disbursements are processed manually.The details of the check are recorded in the hard copy cash disbursement journal, and the check is mailed to the vendor. The clerk then prepares a journal voucher and sends it to the general ledger.

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Once the general ledger clerk receives the journal voucher, the accounts payable summary, and the receiving report, she updates the affected general ledger accounts from the department PC.

Required:

Prepare a document flowchart for the purchasing and cash disbursement processes in Hafiz Bike Sdn. Bhd.

[30 marks]

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Question 3

Borneo Coffee Roasters Sdn. Bhd., a premium coffee supplier based in Kota Kinabalu, Sabah, sells roasted coffee beans to corporate customers on 30-day credit terms. The revenue process begins when a customer emails or faxes a purchase order (PO) to the Sales Department, whose clerk prepares a three-copy sales order (SO), sending one copy to the Credit Department for approval, another to the Warehouse to initiate picking, and retaining the last for filing. Upon receiving the SO, the Credit Department evaluates the customer's credit standing, stamping "approved" if acceptable and forwarding the approved SO to the Warehouse, while rejected orders are returned to Sales Department for customer notification. The Warehouse uses the SO to prepare a picking list, selects and packs the goods, and issues a three-copy delivery order (DO), with one copy sent to the customer along with the goods, another to the Sales Department, and a third retained in Warehouse records. The delivery driver, upon handing over the goods, obtains the customer's signature and company stamp on both the DO and a goods received note (GRN) to confirm acceptance, then returns the signed DO to Sales Department. Using this DO, Sales Department prepares a three-copy sales invoice, one copy for the customer, one for Accounts Receivable (A/R), and one for its own files. The A/R Department records the invoice in the subsidiary ledger, prepares a daily sales summary, and sends it to the General Ledger (GL) Department for posting. Within the credit term, the customer remits payment via bank transfer or cheque, accompanied by a remittance advice identifying the invoice settled; the A/R clerk deposits the funds, prepares an official receipt (OR) in two copies (one for the customer and one for filing), and retains the bank deposit slip as proof of payment. The GL Department updates the general ledger upon receiving the daily sales summary from A/R and the bank deposit slip, thereby completing the revenue cycle. Throughout the process, multiple documents—including the PO, SO, picking list, DO, good receive note (GRN), sales invoice, remittance advice, OR, daily sales summary, and bank deposit slip—are generated, exchanged, and filed across departments, requiring accurate matching and timely movement to prevent errors, delays, or revenue recognition issues.

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Required:

Differentiate and explain the following terms:

(a) Purchase Order and Sales Order.

(b) Picking List and Delivery Order.

(c) Sales Invoice and Good Received Note.

(d) Official Receipts and Remittance Advice.

(e) Account Receivable Department and General Ledger Department

(20 marks)

[20 marks]

Question 4

KHN Automotive Manufacturing Sdn. Bhd. is a medium-sized company that produces mechanical components for the automotive industry. To support its production line, the company regularly procures raw materials such as metal sheets, bearings, and lubricants from external suppliers.

Recently, the Production Department reported a low inventory of several key items. A Purchase Requisition (PR) was raised in the computerised accounting system and forwarded to the Procurement Department, which reviewed the request and selected a supplier from the approved vendor list. A Purchase Order (PO) was then issued and emailed to the supplier.

The Warehouse Department received the goods and verified the quantity and quality before recording a Goods Receipt Note (GRN) in the system. A few days later, the Accounts Payable Unit received the Supplier Invoice and performed a three-way match (PO, GRN, Invoice). Once verified, a Payment Voucher (PV) was generated, and payment was made through the company's electronic banking system.

To ensure accuracy, the company performs monthly internal audits and uses a role-based access system for approving purchases and payments.

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Required:

(a) Identify **FIVE (5)** departments or functions involved in the expenditure cycle.

(5 marks)

(b) Identify and describe **FIVE (5)** key documents used in KHN Automotive Manufacturing's expenditure cycle.

(10 marks)

(c) Explain the three-way matching process and how it prevents errors or fraud in the context of a manufacturing company.

(5 marks)

(d) Describe **FIVE (5)** possible risks that may arise if internal controls are not effectively implemented in the expenditure cycle.

(10 marks)

[30 marks]

END OF EXAMINATION PAPER

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