UNIVERSITI KUALA LUMPUR
Malaysian Italy Design Institute

FINAL EXAMINATION
MARCH 2026 SEMESTER

COURSE CODE	:	PNB 20604
COURSE NAME	:	FINANCIAL AND COST ACCOUNTING
PROGRAMME NAME	:	DEGREE
DATE	:	25TH JUNE 2026
TIME	:	2.00 PM – 5.00 PM
DURATION	:	3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please read CAREFULLY 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 TWO (2) sections; Section A and Section B.
4. Answer ALL questions in Section A, and any TWO (2) questions in Section B.
5. Please write your answers on the answer booklet provided.
6. Formula has been appended for your reference.
7. Answer all questions in English Language ONLY.

THERE ARE 9 PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total: 60 marks)

INSTRUCTION: Answer ALL Questions.

Please use the answer booklet provided

Question 1

The following trial balance was extracted from the books of Audio Marketing & Company a sole trader, at the close of business on 31st December 2025.

AUDIO MARKETING AND COMPANY
TRIAL BALANCE
as at 31st December 2025

	Debit RM	Credit RM
Capital as at 1st January 2025		430,000
Drawings	35,600	
Cash in Hand	42,600	
Cash at Bank	296,800	
Accounts Receivables/ Debtors	195,600	
Provision for Doubtful Debts		4,500
Creditors / Accounts Payables		54,000
Rent	46,000	
Insurance	8,600	
Carriage Inwards	8,600	
Office Salaries	65,600	
Sales		425,000
Returns Inwards	15,200	
Purchases	186,000	
Returns Outwards		4,200
Commission Received		2,500
Interest on Loan	18,000	
5% Long Term Loan		400,000
Bad debts	7,100	
Plant and Equipment	180,000	
Fixtures and Fittings	240,000	

Provision for Depreciation of Plant and Equipment		36,000
Provision for Depreciation of Fixtures & Fittings		24,000
Inventory 1st January 2025	34,500	
	1,380,200	1,380,200

Additional information as follows:-

Inventory 31st December 2025	48,600
Office salaries accrued	2,500
Provision for doubtful debts to be maintain at 6%	
Interest on loan not paid	2,000
Insurance outstanding	1,900
Commission receivable due	3,000
Rent expense not paid	2,000

Depreciation is to be calculated using straight line method:

Plant and Equipment - 10%

Fixtures and Fittings - 5%

(a) Prepare the Income Statement for the year ended 31st December 2025.

(20 marks)

(b) Prepare Statement of Financial Position as at 31st December 2025.

(20 marks)

Question 2

The following are the financial statements of Audio Marketing & Co for the year ended 31st December 2025:

AUDIO MARKETING & CO
Income Statement for the year ending 31st December 2025

		2025
	RM	RM
Revenue / Sales		230,000
Less Cost of Sales		
Inventory at 1 Jan	8,900	
Add Purchases	67,000	
	75,900	
Less Closing inventory	6,700	69,200
Gross Profit		160,800
Less Expenses		12,350
Net Profit		148,450

AUDIO MARKETING & CO
Statement of Financial Position as at 31st December 2025

		2025
	RM	RM
Net Non-current assets		
Machinery	140,000	
Delivery Van	60,000	200,000
Current Assets		
Stock	6,700	
Debtors/ Accounts Receivables	38,700	
Bank Balance	36,150	
Cash	2,550	
	84,100	
Less Current liabilities		
Creditors	6,100	
		78,000
		278,000

Financed by		
Capital		
1 January 2025	129,550	
Add net profit	148,450	
		278,000

Calculate the following ratios for each year (correct to 2 decimal places).

(a) Gross profit ratio

(4 marks)

(b) Net profit ratio

(4 marks)

(c) Current ratio

(4 marks)

(d) Acid test ratio

(4 marks)

(e) Return on Capital Employed (use opening capital)

(4 marks)

SECTION B (Total: 40 marks)

Answer any TWO (2) questions.

Question 1

(a) Audio Marketing and Co makes and sell Vacuum Cleaner and has supplied the following information:-

Output	6,500 units
Total fixed cost	RM450,000

	RM	RM
Selling price per Vacuum Cleaner		810
Less total variable costs/ unit		
Main Body	216	
Motor	127	
Fan	45	
Filter	23	
Dust Bag	19	
Direct labour	46	

Calculate the break-even point.

i. In units

ii. In sales revenue

(4 marks)

(b) The following information is available for Audio Marketing & Co.

	1-Jan-25 RM	31-Dec-25 RM
Rent Receivable	6,500 owing	10,500 owing
Insurance	3,800 prepaid	6,500 prepaid

During the year ended 31st December 2025, the following transactions were carried out through the bank account.

Rent Received RM 60,000

Insurance paid RM 45,000

Prepare the relevant ledger accounts.

i) Rent receivable account

ii) Insurance account

(b) marks)

(c) The following information is obtained from Pure Milk Berhad a milk manufacturing company,

Inputs:	
Direct Materials:	3,000 kg @ RM16 per kg.
Direct Labour	RM2,600.
Production Overheads	RM5,600.

Output:

2,900 kg (to finished goods account)

Normal Loss: 5%.

Scrap value for the normal loss: RM2.30 per kg.

You are required to prepare the ledger account for process 1.

(8 marks)

Question 2

Audio Marketing and Co manufactures Vinyl for local market. The following information is provided in relation to the production of this product:-

Production and sales volumes:

	Production (Vinyl)	Sales (Vinyl)
January	650	450
February	450	570

Selling price per Vinyl RM 260

Cost data:

Direct materials cost per unit	14.50
Direct labour per unit	8.50
Variable production overheads per unit	24.00

Other costs:

Variable sales commission	5% of sales value
Fixed selling	RM6,500 per month
Fixed administration	RM4,500 per month
Fixed production overheads	RM7,500 per month

There was no opening inventory of the product as at 1st January.

Prepare the management accounts showing profit calculated using marginal costing system. (All figures are to the nearest)

(20 marks)

Question 3

The following data refers to the budgeted cash payments and receipts for the three months period ending 31st March 2026. Audio Marketing and Company is involved in supplying electronic components for a local company producing sound bars. The management has requested the finance manager to identify if cash is sufficient.

(a) Cash balance on 1st January 2026 is expected to be RM200,000.

(b) Forecast sales for the three months are as follows:-

January	730,000
February	570,000
March	550,000

- 50% is paid in the month of sale
- 50% is paid one month after sale

(c) The following miscellaneous payments are budgeted to be:

Rent	3,300 every month
Internet charges	1,900 every month
Building maintenance	4,500 for January and March
Electricity	2,100 every month
Salaries	26,000 every month

(d) A computer is budgeted to be bought in March at a cost of RM12,000 and in March an ink jet printer is expected to be purchased at a cost of RM19,000.

(e) Rent income of RM6,000 is received each month.

(f) Purchases of raw materials each month are budgeted as follows:-

January	396,000
February	321,000
March	302,000

- Purchases are paid one half in the month of purchase and the other half in the following month.

You are required to produce a Cash Budget from January to March 2026.

(20 marks)

END OF EXAMINATION PAPER

FORMULAS

Breakeven Point

1) Breakeven Point (in units) $= \frac{\text{Fixed Cost}}{\text{Unit Contribution}}$

Ratios

1) Gross Profit Margin $= \frac{\text{Gross Profit}}{\text{Sales}} \times 100$

2) Net Profit Margin $= \frac{\text{Net Profit}}{\text{Sales}} \times 100$

3) Current Ratio $= \frac{\text{Current Asset}}{\text{Current Liabilities}}$

4) Acid-Test Ratio $= \frac{\text{Current Assets-Inventory}}{\text{Current Liabilities}}$

5) Return On Capital Employed $= \frac{\text{Net Profit}}{\text{Capital Employed}} \times 100$