



**UNIVERSITI KUALA LUMPUR  
MALAYSIAN INSTITUTE OF INDUSTRIAL TECHNOLOGY**

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**FINAL EXAMINATION  
JANUARY 2016 SEMESTER**

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<b>COURSE CODE</b>	<b>:</b>	<b>JLB 30503</b>
<b>COURSE TITLE</b>	<b>:</b>	<b>MANAGEMENT ACCOUNTING AND FINANCE</b>
<b>PROGRAMME LEVEL</b>	<b>:</b>	<b>BACHELOR</b>
<b>DATE</b>	<b>:</b>	<b>30 MAY 2016</b>
<b>TIME</b>	<b>:</b>	<b>9.00 AM – 12.00 PM</b>
<b>DURATION</b>	<b>:</b>	<b>3 HOURS</b>

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**INSTRUCTIONS TO CANDIDATES**

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- 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 TWO (2) sections.**
  - 4. Answer ALL questions in Section A. Choose THREE (3) questions in section B.**
  - 5. Please write your answers on the answer booklet provided.**
  - 6. Please answer all questions in English only.**
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**THERE ARE 6 PAGES OF QUESTIONS EXCLUDING THIS PAGE.**

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**SECTION A (Total: 40 marks)****INSTRUCTION: Answer ALL questions.****Please use the answer booklet provided.****Question 1**

Clearwater Enterprise started its business in March 2014 and below are the transactions recorded.

- |       |    |  |
|-------|----|--|
| March | 1  | Started business with RM45,000 cash.                             |
| March | 2  | Additional capital of RM55,000 is put in the bank.               |
| March | 5  | Fixtures are bought on credit terms from Jaguar Bhd for RM6,000. |
| March | 8  | Bought a machine paying by cheque RM8,000.                       |
| March | 15 | Bought equipment from Fluence Sdn Bhd on credit RM7,300.         |
| March | 18 | Returned faulty fixtures costing RM1,000 to Jaguar Bhd.          |
| March | 25 | Took out cash of RM5,000 for the owner family trip activity.     |
| March | 26 | Paid amount owing to Fluence Sdn Bhd RM2,750 by cheque.          |
| March | 28 | Took RM3,000 out of the cash and added to the bank account.      |
| March | 30 | Cruze Enterprise lent RM100,000 – giving money by cheque.        |

Prepare the accounting journals to record the following transactions for May 2014 in the records of Clearwater Enterprise. (10 marks)

**Question 2**

Each material purchased by the production department requires the records on the movement of the materials used. Listed below are the transactions for the month of July until November for the purchase and usage of the Material RS for the production of microchip.

1 July	Received	2000 units at RM10 per unit
9 July	Received	520 units at RM10.50 per unit
18 July	Issued	1400 units
5 August	Received	800 units at RM11.50 per unit
22 August	Received	600 units at RM12.50 per unit
15 September	Issued	1240 units
14 October	Issued	480 units
8 November	Received	1000 units at RM11 per unit
24 November	Issued	760 units

Required: Prepare the stock record according to Weighted Average method. (10 marks)

**Question 3**

The following data as per Table 1 is taken from the income statements of Company Palle Sdn. Bhd.

Table 1. Balance Sheet Items Palle Sdn Bhd

	2011	2012
Building	1,200,000	1,700,000
Vehicle	250,000	360,000
Equipment	150,000	200,000
Computer	40,000	30,000
Machine	360,000	530,000
Cash in Bank	90,000	110,000
Cash in Hand	50,000	85,000
Debtors	120,000	120,000
Closing Stock	60,000	98,000
Capital	1,465,000	2,093,000
Long Term Liability	450,000	550,000
Creditor	150,000	180,000
Accruals	75,000	94,000
Short Term Loan	180,000	316,000

Based on the data above, solve the following:

- (a) Current Ratio for both year 2012 and 2011. (2 marks)
- (b) Acid test Ratio for both year 2012 and 2011. (2 marks)
- (c) Working Capital Ratio for both year 2012 and 2011. (2 marks)
- (d) Explain the importance of having the Liquidity Ratio in every business. (4 marks)

**Question 4**

The Balance Sheet is a statement that shows the financial position at a particular point in time. It will indicate the strength of any business organization during its business operations.

- (a) Interpret all the elements contained in the Balance Sheet. (6 marks)
- (b) Interpret FOUR (4) Accounting Principles in preparing a financial statement. (4 marks)

**SECTION B (Total: 60 marks)****INSTRUCTION: Answer THREE (3) Questions ONLY****Please use the answer booklet provided.****Question 1**

Praktis Sdn Bhd has projected that the number of units of Product KLM as per Table 2, that may be sold over the next TEN months would be as follows:

Table 2. Sales of Product KLM

Months	Sales (Unit)
January	22,000
February	26,000
March	29,000
April	40,000
May	64,000
June	62,000
July	58,000
August	67,000
September	72,000
October	60,000

Additional information:

- i. The sales price per unit is USD2.50
- ii. Sales receipts are as follows:
  - 20% - Cash sales.
  - 80% - Credit sales.
- iii. 40% of the credit sales is estimated to be collected in the month of sales itself, while the other 60% balance will be collected in the next month.
- iv. Praktis Sdn Bhd orders Product KLM TWO months in advance before the sales projects. The purchase price of each Product KLM is SGD1.50. The creditors are paid in the next month after the purchases are done.
- v. The exchange rate for USD is RM3.70 and for SGD is RM2.60 respectively.

Required:

- (a) From the above information, prepare a sales budget, cash collection budget and purchase budget in RM value for the month of January until October. (15 marks)
- (b) Provide your justification on cash management objective. (5 marks)

**Question 2**

The management of Footprints Sdn Bhd is preparing its factory operational report for the accounting year ended 30 June 2014. Listed as per Table 3 below is the relevant manufacturing report.

Table 3. Manufacturing Report Footprints Sdn Bhd

	RM
Stock as at 1/7/2013:	
• Direct Material	21,400
• Work in Progress	9,880
• Finished Goods	17,530
Purchases:	
• Direct Material	111,750
• Indirect Material	7,650
Factory Machinery at cost	41,000
Factory Equipment at cost	16,200
Insurance	7,900
Factory Rental	6,300
Direct Labour	28,100
Administrative Salary	14,300
Maintenance	11,000
Utilities	9,000
Stock as at 30/6/2014:	
• Direct Material	9,700
• Work in Progress	5,400
• Finished Goods	12,300

Additional information:

- i Insurance is split between administrative and factory on 30:70 ratio.
- ii Maintenance is divided on ratio of 20:80 between administrative and factory.
- iii Annual depreciation for factory machinery and equipment are each at 10% and 15%.
- iv The company has to pay a manufacturing tax for each unit produced. In this period, the company has produced 32,000 units.

Required:

- (a) Prepare Cost of Manufacturing Statement as at 30th June 2014. (15 marks)
- (b) Illustrate the summary of Costing. (5 marks)

**Question 3**

Income Statement and Balance Sheet are two important financial statements that is mandatory for every business to prepare each year.

(a) The following is the Trial Balance of Wonder Sdn Bhd as at 31<sup>st</sup> May 2014. Prepare a Balance Sheet for the company.

Items	Debit	Credit
Stock as at 1 June 2013	52,800	
Sales		276,400
Purchases	141,300	
Carriage inwards	1,350	
Carriage outwards	5,840	
Return outwards		2,408
Wages and salaries	63,400	
Business rates	3,800	
Communication expenses	714	
Commission paid	1,930	
Insurance	1,830	
Sundry expenses	208	
Buildings	125,000	
Debtors	45,900	
Creditors		24,870
Fixtures	1,106	
Cash at bank	31,420	
Cash in hand	276	
Drawings	37,320	
Capital		210,516
	<u>514,194</u>	<u>514,194</u>

(10 marks)

(b) From the relevant items listed below, prepare the Income Statement for Cici Sdn Bhd for period ending 30 June 2010.

Items	Value as at 30 June 2010 (RM'000)
Debtors	3,500
Accumulated depreciation	2,050
Cost of goods sold	2,850

Depreciation expenses	550
General and administrative expenses	600
Interest expenses	250
Dividends	100
Sales revenue	5,250
Sales expenses	350
Shareholders' equity	2,650
Tax on net profit 30%	

(10 marks)

**Question 4**

- (a) The initial outlay refers to the cash outlay that needs to be made right at the beginning of an investment or project. In any projects undertaken, assets purchased would be either from the totally new purchases or replacement for the older assets.

From the illustration given, provide the calculation for the initial outlay of the assets purchases on any undertaken project.

A new machine was purchased from Moscow for RM800,000. Import duties was RM30,000. The transportation cost of the machine from Moscow to Johor Port and then to warehouse in Larkin Saujana added up to RM20,000. The installation of the machine by the supplier was RM15,000. In addition, some renovation had to be carried out and it cost another RM12,000. Since the machine is new, two operative trainers had to be hired for training purposes. The training cost was RM8,000. Calculate the initial outlay for the machine above.

(7 marks)

- (b) Most companies have plan for business expansion and therefore, a large amount of financing is needed to support the projected planning. Discuss on the potential sources of long term financing plan necessary for the business

(8 marks)

- (c) Differentiate between Real Assets and Financial Assets.

(5 marks)

**END OF EXAMINATION PAPER**

