



**INTI**  
International College Penang  
LAUREATE INTERNATIONAL UNIVERSITIES'

**FINAL**  
Examination Paper

(COVER PAGE)

Session : April 2017

Programme : Certificate In Business Studies (CBSI)

Course : ACC1001: Book Keeping Skills

Date of Examination : 4 August 2017 (Friday)

Time : 2:00pm – 4:00pm Reading Time : Nil

Duration : 2 Hours

**Special Instructions :**

This paper consists of TWO (2) sections. All questions carry equal marks.

Section A: Answer ALL questions in the OMR sheet provided.

Section B: Answer any THREE (3) questions in the answer booklet provided.

Materials permitted :

Non-programmable calculator

Materials provided :

OMR Sheet

Examiner(s) : Tham Yoke Mei

Moderator : Lim Tan Chin

*This paper consists of 9 printed pages, including the cover page*

## INTI INTERNATIONAL COLLEGE PENANG

## CERTIFICATE IN BUSINESS STUDIES PROGRAMME (CBSI)

## ACC1001: BOOKKEEPING SKILLS

## FINAL EXAMINATION: APRIL 2017 SESSION

**Section A: 40 marks**

**Instructions:** This section consists of **TWENTY (20)** questions. Answer **ALL** questions in the OMR sheet provided. All questions carry equal marks.

1. The Basic accounting equation is

- A. Assets= Capital - Liabilities
- B. Assets= Cash + Capital
- C. Capital = Assets - Liabilities
- D. Liabilities = Capital + Assets

2. Which of the following is correct?

	Assets	Liabilities	Capital
	RM	RM	RM
A.	7,850	1,150	6,600
B.	8,820	2,800	5,400
C.	9,550	1,150	8,200
D.	6,540	1,120	5,420

3. Which of the following statements is incorrect regarding capital account?

- A. Initial capital increases the capital account balance
- B. Drawing decreases the capital account balance
- C. Additional capital increases the capital account balance
- D. Profits decreases the capital account balance

4. The sales day book is best described as

- A. Part of the double entry system
- B. Containing customers' accounts
- C. Containing real accounts
- D. A list of credit sales

5. The purchase of an office computer has been debited to Office Expenses instead of to Office Equipment. What effect will this have on the Balance Sheet?

	Non-current Assets	Profit	Capital
A.	No effect	Understated	No effect
B.	No effect	Understated	Understated
C.	Understated	No effect	Understated
D.	Understated	Understated	No effect

6. Which of the following is an asset of a firm?
- A. Money payable to Daibo
  - B. Bank Overdraft
  - C. Office Equipment
  - D. Owner withdraws money for his own use
7. Which of the following best describes the meaning of 'Purchases'?
- A. Goods sold for cash
  - B. Furniture bought on credit
  - C. Cash paid for electricity
  - D. Goods bought for resale
8. Expenses incurred but not yet paid or recorded are called
- A. prepaid expenses.
  - B. accrued expenses.
  - C. interim expenses.
  - D. unearned expenses.
9. A firm bought a machine for RM34,000 on 1/1/16. It is expected to be used for 5 years then will be sold for RM4,000. What is the depreciation expense per year if the straight line method is used?
- A. RM 6,200
  - B. RM 7,200
  - C. RM 6,000
  - D. RM 7,000
10. On 1 January 2015, a company purchased a motor vehicle for RM56,000. It was decided to depreciate the motor vehicle using the reducing balance method at a rate of 20 % per annum. What is the net book value for the motor vehicle at 31 December 2016?
- A. RM 33,580
  - B. RM 44,800
  - C. RM 35,840
  - D. RM 11,200
11. The sales day book is best described as
- A. Part of the double entry system
  - B. Sales Journal
  - C. Purchases Journal
  - D. Sales Return Journal

12. A Provision for Doubtful Debts is created

- A. when debtors become bankrupt
- B. when debtors are no longer in business
- C. to write off bad debts
- D. to provide for possible bad debts

13. Which of the following are personal accounts?

- i. Buildings                      ii. Utilities                      iii. Receivables                      iv. Payables

- A. i and ii only
- B. ii and iii only
- C. iii and iv only
- D. i and iv only

14. The following are the year end balances in Yen Yen's ledgers:

	RM
Sales	43,000
Purchases	16,000
Equipment	22,000
Bank Overdraft	8,000
Inventory	19,000
Capital	6,000

What is the trial balance' total debit balances?

- A. RM 76,000                      B. RM 57,000                      C. RM 65,000                      D. RM 63,000

15. Which of these best describes a statement of financial position?

- A. An account proving the books balance
- B. A record of closing entries
- C. A listing of balances of the accounts
- D. A statement of assets and liabilities

16. The following is a list of the assets and liabilities of a firm at a particular date.

Premises owned by the firm	RM 21,000
Money owed by the firm to its Accounts payable	RM 3,000
Inventory owned by the firm	RM 8,000
Loan received by the firm from a bank	RM 4,000
Cash in the firm's safe	RM 1,000

The firm's capital at that date is:

- A. RM 13,000
- B. RM 23,000

- C. RM 29,000
- D. None of the above.

17. Gross profit is...

- A. Excess of sales over cost of goods sold
- B. Sales less purchases
- C. Cost of goods sold + Opening inventory
- D. Net profit less expenses of the period

18. From the following figures, calculate the profit made during the year.

	RM		
capital at start of year	20,000		
owner's drawings	6,000		
capital at end of year	30,000		
A. RM 4,000                      B. RM 16,000                      C. RM 26,000                      D. RM 30,000			

19. Carriage inwards is charged to the income statement because:

- A. It is an expense connected with buying goods
- B. It should not go in the statement of financial position
- C. It is a revenue from sales
- D. It is a drawings account

20. The owner of a business paid his private telephone bill from the business bank account. The amount was debited to his Drawings account. Which concept was applied?

- A. Business entity
- B. Matching
- C. Prudence
- D. Realisation

**Section B: 60 marks**

**Instructions:** This section consists of **FIVE (5)** questions. Answer any **THREE (3)** questions in the answer booklet provided. All questions carry equal marks.

**Question 1****Total: 20 Marks**

The following balances at 31 December 2016 have been extracted from Merbok's books.

	RM
Capital	?
Drawings	230
Accounts Payable	17,000
Accounts Receivable	16,620
Bank	8,300
Motor Vehicle	45,000
Stationery	128
Plant and Machinery	60,000
Insurance	2,400
Discount Allowed	140
Discount Received	70
Postage and Telephone	250
Advertising	1,350
Entertainment	600
Rent Received	800
Purchases	26,000
Sales	78,000
Purchases Returns	300
Sales Returns	450
Transportation	2000
Insurance Prepaid	330
Heating and Lighting	8,000
Carriage Inwards	180
Opening Inventory	2,300

**Required:**

Prepare a trial balance at 31 December 2016 from the balances extracted from Merbok's books and calculate the balance on his Capital account.

**Question 2**

**Total: 20 Marks**

Below are the transactions for Mutiara Sdn Bhd. in October 2016:

- 2016  
 Oct  
 1 Mutiara commenced business by depositing cash at bank RM60,000 in the as capital.  
 4 A van was purchased and paid for with company cheque for RM23,000.  
 10 Purchased goods for resale amounting to RM12,500 from Shasha.  
 18 Mutiara withdrew cash RM3,000 from the bank for office use.  
 25 Paid salary for RM1,200 by cash.  
 27 Mutiara made a credit sales to Lindan for RM4,700, cost of goods sold was RM2,500.  
 30 Paid cheque to a trade creditor RM800 and received discount RM80.

**Required:**

- a) Prepare the accounting equation for the month of October 2016. [14 marks]

You may refer to the table below as guideline.

Motor Vehicle RM	Bank RM	Cash RM	Stock RM	Receivables RM	Capital RM	Payables RM

- b) Draw up the Statement of Financial Position for Mutiara Sdn Bhd.as at 31 October 2016. [6 marks]

**Question 3****Total: 20 marks**

The trial balance of Heritage Renovation as at 30 June 2016:

	Debit (RM)	Credit (RM)
Sales		257,165
Purchases	192,800	
Salaries	32,000	
Insurance Premium	600	
Rent	3,400	
Office furniture, purchase on 1 July 2015	3,000	
Delivery lorry, purchased on 1 July 2015	3,750	
Stock as at 1 July 2015	4,120	
Capital		11,500
Drawings	17,100	
Bank overdraft		700
Cash in hand	4,500	
Discounts	800	540
Debtors and Creditors	12,315	5,200
Bad debts written off	720	
	<u>275,105</u>	<u>275,105</u>

Additional information as at 30 June 2016 (not yet comprehended in the above trial balance):

- (a) Stock as at 30 June 2016 had been valued at RM3,000.
- (c) Depreciation for the year ended 30 June 2016 should be provided as follows:
- |                  |                                   |
|------------------|-----------------------------------|
| Office furniture | 20% on cost                       |
| Delivery lorry   | Depreciable over 3 year life span |

**Required:****Prepare the following financial statements for Heritage Renovation :**

- a) Statement of Profit and loss for the year ended 30 June 2016. [10 marks]
- b) Statement of Financial Position as at 30 June 2016. [10 marks]

**Question 4****Total: 20 Marks**

a) Briefly explain the following items with appropriate examples:

- i. Owner's Equity
- ii. Revenue
- iii. Expenses
- iv. Assets
- v. Liabilities

[2 marks each]

b) Identify the accounts and the debit/credit entries to be made in the ledger to record each of the following transactions:

	Debit A/c	Credit A/c
1. Jaya brought in cash to commence business in Restaurant Jaya		
2. Bought table and chair for the business by cheque		
3. Sold goods to Harry and received cash		
4. Returned goods to Liam due to wrong model		
5. Owner's private van brought into the business		

[2 marks each]

**Question 5**

**Total: 20 Marks**

Sally started her business on 1<sup>st</sup> January 2017 called Trendy. You are required to prepare the **GENERAL JOURNAL** for the following transactions of Trendy for the first month of operations. Narratives are not required for each journal entry.

Jan 01	Sally invested RM50, 000 cash into the Bank account of the business.
Jan 02	Trendy purchased used motor vehicle for RM20,000.
Jan 08	Trendy paid rent for RM4, 000.
Jan 08	Trendy completed work for a client and immediately received RM15, 000.
Jan 12	Sally received a RM50,000 small business loans with CIMB Bank under Trendy's name.
Jan 15	Ideal Homes renovated and installed fixtures and fittings at a cost of RM3, 000. Trendy will pay the bill at a later date.
Jan 15	Trendy paid RM1, 000 cash for advertisement in a local magazine.
Jan 28	Trendy completed work for another client, Suwito on credit and invoiced the client RM5, 000. The client is allowed to settle the bill within 30 days.
Jan 30	Trendy paid Ideal Homes that installed the fixtures and fittings earlier.
Jan 30	Trendy paid RM150 for usage of electricity for the month.

**END OF QUESTION PAPER**

