



INTI
International College Penang

FINAL
Examination Paper

(COVER PAGE)

Session : August 2018

Programme : CERTIFICATE IN BUSINESS STUDIES (CBSI)

Course : **ACC1001 : BOOK KEEPING SKILLS**

Date of Examination : 12 December 2018 (Wednesday)

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

Duration : 2 Hours

Special Instructions :

This paper consists of **TWO (2)** sections

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 & Answer booklet

Examiner(s) : **Ms. Tham Yoke Mei**

Moderator : **Ms. Lim Tan Chin**

This paper consists of 10 printed pages, including the cover page.

INTI INTERNATIONAL COLLEGE PENANG
 CERTIFICATE IN BUSINESS STUDIES PROGRAMME
ACC 1001 : BOOKKEEPING SKILLS
 FINAL EXAMINATION : AUGUST 2018 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 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. matching
 B. business entity
 C. prudence
 D. realisation

2. A trader has included rent which is due but not paid in his Profit and Loss Account. Which accounting concept has been applied?
- A. historic cost
 B. materiality
 C. money measurement
 D. accrual

3. Diana bought goods on credit from Sharon for RM600 less trade discount of RM120. Which entries record this transaction in Diana's books?

Account to debited	Account to be credited
A. Purchases RM480	Sharon RM480
B. Purchases RM480 Discounts Allowed RM120	Sharon RM600
C. Purchases RM600	Sharon RM600
D. Purchases RM600	Sharon RM480 Discount Received RM 120

4. Why is depreciation on fixed assets charged in the accounts of a business?
- A. To ensure that assets are replaced when they are worn out
 B. To make sure that cash is available to replace assets when they are worn out
 C. To show what assets are worth in the balance sheet
 D. To spread the cost of assets over their useful lives
5. At 31 December 2016 a business had a Provision for Doubtful Debts of RM1,200. At 31 December 2017 the provision was adjusted to RM1,350. How did this affect the final accounts?

Net profit	Net receivables
A. decrease by RM 150	decrease by RM 150
B. decrease by RM 150	increase by RM 150
C. increase by RM 150	decrease by RM 150
D. increase by RM 150	increase by RM 150

6. A trader returns goods to the supplier and receives a refund. Which entries record the refund in the trader's books?

Debited account	Credited account
A. Bank	Sales
B. Bank	Purchases Returns
C. Purchases	Bank
D. Purchases Returns	Bank

7. Which of the following accounts normally has a credit balance?

- A. Discount Allowed
- B. Discount Received
- C. Purchases
- D. Sales Returns

8. Which of the following does not appear in a Profit and Loss Account?

- A. Rent expenses
- B. Carriage outwards
- C. Cash in hand
- D. Rent received

9. Commission receivable is considered asin the.....

- A. Other income, Profit or Loss Account
- B. Expense, Profit or Loss Account
- C. Current asset, Statement of Financial Position
- D. Current liability, Statement of Financial Position

10. Lintang Co. received cash amounted to RM50,000 from a loan approved by Bank National. What is the impact of accounting equation for the above transaction in Balance Sheet?

A. decrease in asset	decrease in liability
B. decrease in asset	increase in liability
C. increase in asset	decrease in liability
D. increase in asset	increase in liability

11. 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

12. The double-entry system requires that each transaction must be recorded

- A. in at least two different accounts.
- B. in two sets of books.
- C. in a journal and in a ledger.
- D. first as a revenue and then as an expense.

13. What is depreciation?
- A. Cost of a fixed asset
 - B. Cost of a fixed asset's repair
 - C. The residual value of a fixed asset
 - D. Portion of a fixed asset's cost consumed during the current accounting period

14. Which of the following is an asset of a firm?

- A. Money payable to Mr. Venu.
- B. Bank Overdraft.
- C. Loan to Mr. Ali.
- D. Owner contribute money into business.

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

Premises owned by the firm	RM21,000
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. RM13,000
 - B. RM23,000
 - C. RM29,000
 - D. None of the above.
16. The following accounts are used to calculate the costs of goods sold except :
- A. Purchases
 - B. Carriage inwards
 - C. Carriage outwards
 - D. Opening inventory

17. The following are the year end balances in Vicky'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's total debit balances?

- A. RM76,000
- B. RM57,000
- C. RM65,000
- D. RM63,000

18. One of Tara's customers has returned goods and Tara is issuing a credit note. In which record of prime entry will this be recorded?
- A. The cash book
 - B. The sales returns day book
 - C. The purchase returns day book
 - D. The sales day book
19. Insurance premium paid in advance for next financial year is called
- A. prepaid expenses.
 - B. accrued expenses.
 - C. interim expenses.
 - D. unearned expenses.
20. On 1 January 2016, a company purchased machinery for RM26 000. It was decided to depreciate the asset using the reducing balance method at a rate of 20 % per annum. What is the depreciation expense for year end 31 December 2017?
- A. RM5,200
 - B. RM4,160
 - C. RM 3,328
 - D. RM2,662

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 trial balance was taken from the books of Tanker Trading at 31 December 2017.

Trial Balance as at 31 December 2017	RM	RM
Capital		45,750
Sales		53,150
Purchases	12,650	
Carriage outwards	644	
Returns inwards	295	
Commission received		9,830
Returns outwards		580
Bank	8,000	
Salaries and wages	4,300	
Sundry expenses	356	
Travelling expenses	530	
Drawings	1,175	
Inventory as at 1 January 2017	9,460	
Accounts receivable	17,600	
Accounts payable		26,900
Buildings	80,000	
Fixtures and fittings	5,500	
Accumulated depreciation – Fixtures and fittings		1,100
Accumulated depreciation - Building		3,200
	140,510	140,510

Additional information:

- Inventory as at 31 December 2017 amounted to RM1,600.
- The depreciation for fixtures and fittings is charged at 10% using the straight line method.
- The depreciation for building is charged at 2% using the straight line method.
- Out of RM356 sundry expenses, RM36 should be travelling expenses. This has yet to be adjusted.

Required:

Prepare the following financial statements for Tanker Trading:

- Income Statement for the year ended 31 December 2017. (10 marks)
- Statement of Financial Position as at 31 December 2017. (10 marks)

Question 2**Total: 20 Marks**

Antique Shop is a pine furniture shop in Ipoh. The following are the transactions for the month of May, 2018.

May

1. Balance brought forward from last month: Cash RM 13,000, Bank RM20,000.
3. Cash sales RM3100.
4. Took RM2000 out of the cash till and paid it into the bank.
7. Mohan, an account receivable paid cheque RM1940.
8. Paid postage stamps by cash RM120.
10. Make a payment to a creditor, Ronny by cheque RM 4210.
13. Bought office equipment by cheque RM2600.
14. Received commission from a business deal by cash RM600.
18. Paid wages by cheque RM3300.
21. Withdrew from bank account RM2200 for office use.
22. Paid Motor expenses by cash 240.
24. Receive a cheque from KK Co. RM2800 with a cash discount RM200.
26. Paid Lee Co. a cheque RM6100 and received a discount RM300.
27. Returned a cheque to Mohan dated May 7, dishonoured cheque.
28. Purchase goods RM500 by a cheque.

Required:

Write up a three-column cash book for Antique Shop from the details given, and balance it off as at the end of the month.

Question 3**Total: 20 marks**

- (a) Explain the following accounting concept with one illustrative example for each:
- (i) Accrual/Matching principle (3 marks)
 - (ii) Historical cost concept (3 marks)
 - (iii) Consistency concept (3 marks)
- (b) Explain the terms “capital expenditure” and “revenue expenditure”. Provide an example for each of the term. (6 marks)
- (c) State whether the following events are capital or revenue expenditure:
- (i) To add on additional floor at head quarter office building
 - (ii) Purchase and installation of 4 units of lift in the office building
 - (iii) Re-paint the warehouse external walls
 - (iv) Purchase of a second hand truck vehicle
 - (v) Cost of replacing battery of a lorry (5 marks)

Question 4**Total: 20 Marks**

Mr Bamboo established his catering business on 1 June 2018. The following is a summary of its first month's trading:

June

- 1 Mr Bamboo commenced his business by depositing RM180,000 in the firm's account at Maybank to get the business started.
- 1 A Van was purchased and paid with the company cheque for RM65,000.
- 1 Furniture RM4,600 was purchased on credit from Liang Decor.
- 4 Mr Bamboo withdrew cash at bank RM300 from the business account to pay for his private expenditure.
- 5 A cheque RM1,500 was paid to Liang Decor, as part of the payment for amount owing.
- 7 Purchased goods from TYL Trading for RM4,800 on credit.

- 10 Settled the remaining debts with TYL Trading by cheque.
- 16 Cash sales of RM1,000 was kept as petty cash.
- 23 Mr Bamboo paid Liang Decor for the balance of the amount owing with his own personal cheque.
- 28 Paid workers for June wages by cheque, RM2,000.
- 30 Paid rental by cheque RM1,600.

Required:

- a. Record the above transactions in the appropriate accounts and balance off all the accounts at month end. (15 marks)
- b. Prepare the trial balance as at 30 June 2018. (5 marks)

Question 5**Total: 20 Marks**

Below are the transactions for Zubicon in October 2018:

- 1 Zubicon commenced business by depositing cash RM50,000 in the bank as capital.
- 4 A motor vehicle was purchased and paid for with company cheque for RM25,000.
- 10 Zubicon purchased goods for resale amounting to RM12,500 by cheque.
- 12 Zubicon made a cash sales of RM1,200, cost of good sold was RM800.
- 18 Zubicon withdrew cash RM3,000 from the bank for office use.
- 22 Zubicon bought stationery for RM300 on credit.
- 25 Zubicon bought office furniture for RM1,200 by cash.
- 27 Zubicon made a credit sales to Mike for RM3,600, cost of goods sold was RM2,400.
- 30 Zubicon withdrew cash RM800 from the bank for personal use.

Required:

Prepare the accounting equation for the month of October 2018.

(20 marks)

You may follow the table given below as guideline:

Assets =							Owner's Equity + Liabilities	
Date	Bank	Cash	Motor Vehicle	Furniture	Receivable	Inventory	Capital	Payable

~ The End ~*Acc1001/iicp aug2018_tym*