

FINAL
Alternative Assessment

(COVER PAGE)

Session : August 2021

Programme : Foundation in Business Information Technology (CFPI)
Foundation in Business (CFB)

Course : ACC 1201: Fundamentals of Accounting

Date of Examination : 8 December 2021 (Wednesday)

Time : 9:00am – 11:30am Reading Time : Nil

Duration : 2 hours + 30 minutes (uploading time)

Special Instructions :

Answer ALL questions.

Materials permitted : Nil

Materials provided : Non-programmable calculator

Examiner(s) : Mr. Mohd Hafiz Mohamad Zahari

Chief Moderator : Ms. Shindy Lee

This paper consists of 4 printed pages, including the cover page.

FOUNDATION IN BUSINESS INFORMATION TECHNOLOGY (CFPI)
 FOUNDATION IN BUSINESS (CFB)
 ACC 1201: FUNDAMENTALS OF ACCOUNTING
 FINAL ALTERNATIVE ASSESSMENT: AUGUST 2021 SESSION

This paper consists of **FOUR (4)** questions. Answer all **FOUR (4)** questions. All questions carry equal marks.

Question 1 (25 marks)

Mario, a sole trader, had the following trial balance extracted as of 31 December 2020:

	Dr	Cr
	RM	RM
Sales		52,000
Purchases	23,000	
Inventory as of 1 January 2020	8,550	
Premises	75,000	
Equipment	18,000	
Returns inwards	340	
Bank	1,280	
Wages	5,600	
Insurance	390	
Advertising	260	
Capital		94,660
Drawings	11,800	
Returns outwards		450
Accounts receivable	6,500	
Accounts payable		4,960
Rent	1,350	
	152,070	152,070

The following additional information as of 31 December 2020 is also available:

- i. Inventory as of 31 December 2020 was valued at RM10,660.
- ii. Depreciation is to be provided as follows: Premises 10%, Equipment 20% (both on cost).
- iii. A provision for doubtful debts is to be created at 5% of amounts receivable at the year-end.
- iv. Accrued rent RM211.
- v. Insurance paid in advance RM120.

Required:

- a) Prepare Mario's Income Statement for the year ended 31 December 2020; (13 marks)
- b) Prepare a Statement of Financial Position as of 31 December 2020. (12 marks)

Question 2 (25 marks)

- a) Define the accounting cycle. (3 marks)
- b) For each transaction below, complete the table to show the accounts' names that will be debit and credit. (8 marks)
- i. Bought goods on credit from Brown Limited
 - ii. Sold goods on credit to Cristiano Limited
 - iii. Paid the carriage charge, by cheque, to deliver the goods to Cristiano Limited
 - iv. Bought a photocopier for use in the business on credit from Office Products Limited
 - v. Returned unsatisfactory goods to Brown Limited
 - vi. Cristiano Limited returned unsatisfactory goods
 - vii. Paid the amount owing to Brown Limited by cheque
 - viii. Received a cheque from Cristiano Limited for the amount owing

Example of the table

Transaction	Account debited	Account credited
i.		
ii.		
iii.		

- c) The following are the business transactions of Weston Traders for May 2020.
- May,
1. Started in business with a capital of RM7,500 in the bank
 3. Bought goods, RM1,000, paying by cheque
 4. Sold goods, RM750, a cheque being received
 6. Bought shop fittings for RM2,000, paying by cheque
 7. Bought goods, RM1,250, on credit from Bristol Supplies Limited
 10. Paid rent, RM750, by cheque
 12. Sold goods, RM1,500, on credit to Gordano Giftware
 14. Returned goods, RM150, to Bristol Supplies Limited
 16. Paid wages, RM1,500, by cheque
 18. Paid the amount owing to Bristol Supplies Limited by cheque
 21. Gordano Giftware returned goods, RM250
 24. Paid rent, RM750, by cheque
 26. Sold goods, RM550, a cheque being received
 28. Received a cheque from Gordano Giftware for the amount owing

Required:

You are to record the transactions in the books of account (T-Account) and balance off each account. (14 marks)

Question 3 (25 marks)

Transaction	Number of Units	Unit Cost
Beginning Inventory	20	RM2,200
Purchase	25	RM2,250
Sold	10	
Sold	14	
Purchase	15	RM2,300
Sold	26	
Purchase	20	RM2,350

According to the table above, there are 30 units in the ending inventory.

Required:

Calculate the cost of these units under each of the following assumptions.

- i. FIFO/Perpetual
- ii. LIFO/Perpetual
- iii. Average Cost/Perpetual

(25 marks)

Question 4 (25 marks)

- a) Liliana spends RM20,000 (cash) on a piece of equipment for use in her restaurant. She plans to use the straight-line method to depreciate the equipment over 5 years. She expects it to have no value at the end of the 5 years.

Required:

- i. Prepare journal entries to record the above transaction. (4 marks)
- ii. Post the journal into the ledger account. (4 marks)

- b) A company purchased a machine that cost RM100,000. The machine is expected to last 4 years and has a residual value of RM7,000. Calculate the depreciation expense to be recorded each year under the declining balance method. (8 marks)

- c) Explain briefly THREE reasons why the company depreciates its fixed assets with examples. (9 marks)

~ The End ~

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