

 **INTI International
University & Colleges**

FINAL
Examination Paper

(COVER PAGE)

Session : January 2018

Programme : Diploma In Hotel Management (DHMN)
Diploma In Culinary Arts (DCA/DCAN)

Course : ACC1103 : Business Accounting

Date of Examination : March 3, 2018 (Saturday)

Time : 8:00 am – 10:00 am

Duration : 2 hrs Reading Time : Nil

Special Instructions :

This paper consists of TWO (2) sections. Answer THREE (3) questions in SECTION A and ONE (1) question in SECTION B in the answer booklet provided. All questions carry equal marks.

IMPORTANT NOTE : **THIS PAPER SHOULD NOT BE TAKEN OUT OF THE EXAMINATION HALL**

Materials Permitted : Calculator

Materials Provided : Nil

Examiner(s) : Chang Yaw Yun

Moderator : Ms Chou Chee Ling

This paper consists of 6 printed pages, including the cover page.

DIPLOMA IN HOTEL MANAGEMENT PROGRAMME (DHMN)
 DIPLOMA IN CULINARY ARTS PROGRAMME (DCA/DCAN)
 ACC1103 : BUSINESS ACCOUNTING
 FINAL EXAMINATION: JANUARY 2018 SESSION

SECTION A : Answer any **THREE (3)** out of **FOUR (4)** questions.

Question 1

The following is a list of balances from the ledger of Starlight Traders as at 31 December 2017

	RM
Capital at 1 January 2017	200,000
Inventory at 1 January 2017	49,500
Drawings	38,000
Bank overdraft	13,740
Trade payables	26,200
Short term loan	7,000
Mortgage	40,000
Cash in hand	21,210
Trade receivables	98,400
Motor vehicles	30,000
Office equipment	160,000
Accumulated depreciation at 1 January 2017:	
- Motor vehicles	12,000
- Office equipment	32,000
Allowance for doubtful debts	5,000
Sales	372,670
Purchases	266,000
Advertising expenses	26,000
Heating & lighting	14,700
Insurance	7,800
Discount received	13,000
Discount allowed	10,000

Additional information on 31 December 2017:

- (i) Advertising expenses still owing amounted to RM2,000
- (ii) Depreciation is to be provided on motor vehicles at 5% straight line, and office equipment at 20% on reducing balance
- (iii) Allowance for doubtful debts is to be provided at 5% of trade receivables
- (iv) Insurance prepaid RM2,800
- (v) Closing inventory RM20,800

Required:

- (a) Prepare the Income Statement for the year ended 31 December 2017. (10 marks)
- (b) Prepare the statement of financial position as at 31 December 2017. (15 marks)

Question 2

Intell Corporation has three production departments: Assembly, Test and Packing, and two service departments, Stores and Maintenance.

For the forthcoming year, the total budgeted overhead costs are as follows:

Allocated Overhead Costs:

Department	Indirect material	Indirect labour
	RM	RM
Assembly	25,000	20,000
Test	12,000	15,000
Packing	7,000	12,000
Stores	6,500	3,000
Maintenance	3,500	2,000

Other Overhead Costs:

	RM
Power expenses	21,000
Rental of Factory	40,000
Insurance - Machinery	25,000
Insurance - Factory	24,000
Canteen costs	15,000

The following information is also available:

Department	Assembly	Test	Packing	Stores	Maintenance
Kilowatt Hours	1000	800	600	400	200
Number of Employees	50	100	50	30	20
Machine hours	10,000	12,000	10,000	-	-
Direct labour hours	5,000	6,000	7,000	-	-
Area (square metres)	7,000	7,500	2,500	2,000	1,000
Plant valuation (RM)	150,000	150,000	100,000	50,000	50,000
Material requisitions (kg)	3,000	2,000	1,000	-	-

The company absorbs its overhead using **Machine hour** rates for Test and Assembly department, and a **Direct Labour hour** rate for Packing department.

Required:

Prepare an overhead analysis sheet for the forthcoming year, showing clearly the bases of apportionment used. (Work to the nearest RM)

(25 marks)

(Total: 25 marks)**Question 3**

Hijau Ltd. starts business on 1 January 2014. The management decides to prepare accounts on 31 December each year. On 1 March 2014, Hijau Ltd. buys motor vehicle for RM65,000 at cost, payment made by cheque. All motor vehicles depreciated at 15% per annum using the reducing balance method.

On 1 April 2016, Hijau Ltd. decided to sell the motor vehicle for cash RM40,500. On 1 May 2016, a new motor vehicle was bought for RM68,800, payment made by cheque.

The policy of the company is to provide a full year's depreciation in the year of purchase and none in the year of disposal.

You are required to prepare the following accounts for the year ended 31 December 2016:

- (a) Motor Vehicles account. (7 marks)
- (b) Accumulative Depreciation on Motor Vehicles account. (10 marks)
- (c) Disposal of Motor Vehicles account. (8 marks)

Question 4

Bernard Industries provided you with the following information:

Commenced operations on 1 January 2015

- Allowance established on 31 December 2015 for Doubtful Debts at 5% of account receivables.
- On 1 June 2015 Account Receivables' accounts totaling RM850 are to be written off as bad (irrecoverable).
- Account Receivables balance 31 December 2015 was RM 90,000.

At the end of the second year of operations, at 31 December 2016

- Balance of Account Receivables was RM 110,850 (before write off of Bad Debts).
- It was decided that RM4,850 owing by several account receivables were not recoverable and were to be written off as bad.
- Allowance for Doubtful Debts to be maintained at 5% of Account Receivables.

Required:

- (a) For year ended 31 December 2015 and 2016 prepare the following accounts:
- (i) Bad Debts (8 marks)
 - (ii) Allowance for Doubtful Debts (9 marks)
- (b) Provide extracts to show the disclosures in the Income Statement and Statement of Financial Position for both 2015 and 2016. (8 marks)
- (Total: 25 marks)

SECTION B : Answer any **ONE (1)** out of **TWO (2)** questions in the answer booklet provided.

Question 5

- (a) Briefly explain the following terms:
- (i) Accounting (3 marks)
 - (ii) Depreciation (3 marks)
 - (iii) Doubtful debt accounts (3 marks)
 - (iv) Statement of financial position (3 marks)
 - (v) Accrual accounting (3 marks)
- (b) Briefly discuss **THREE** types of ledgers. (6 marks)
- (c) Explain the difference between cash book and petty cash book. (4 marks)
- (Total: 25 marks)

Question 6

- (a) Describe any **THREE** differences between financial accounting and cost accounting
(6 marks)
- (b) Explain the following costing terms. Give an example for each term:
- (i) Sunk costs
 - (ii) Opportunity costs
 - (iii) Prime costs
 - (iv) Product costs
 - (v) Period costs
- (15 marks)
- (c) Explain the difference between fixed and variable cost with examples.
(4 marks)
(Total: 25 marks)

-THE END-

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