

FINAL
Examination Paper
(COVER PAGE)

Session : August 2015

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

Course : ACC1103 : Business Accounting

Date of Examination : December 9, 2015 (Wednesday)

Time : 8:00 am – 10:00 am Reading Time: Nil

Duration : 2 Hours

Special Instructions :

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

Section B : Answer **ONE (1)** essay question out of **TWO (2)** questions.

Materials permitted :
Non-programmable Calculator

Materials provided :
Nil

Examiner (s) : Ms Doris Koh , Alex 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/DHM)
 DIPLOMA IN CULINARY ARTS PROGRAMME (DCA)
 ACC1103 : BUSINESS ACCOUNTING
 FINAL EXAMINATION : AUGUST 2015 SESSION

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

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

Question 1

The following is the trial balance of Setia Bersatu as at 30 June 2015.

	Debit(RM)	Credit(RM)
Land & Buildings at cost	200,000	
Machinery at cost	80,000	
Allowance for depreciation (1 July 2014):		
Land & Buildings		70,000
Machinery		15,200
Purchases and Sales	85,000	150,000
Discounts		7,000
Inventory as at 1 July 2014	25,000	
Capital		42,400
Drawings	2,000	
Bank overdraft		15,000
Cash in hand	200	
Allowance for bad debts		1,200
Receivables and Payables	18,000	49,000
Carriage inwards	2,000	
Returns	2,000	
Salaries	4,000	
Bad debts	2,000	
Rent	4,600	
Bank loan		75,000
	424,800	424,800

The following information as at 30 June 2015:

- (a) Salaries are accrued by RM3,500.
- (b) One of the receivables had passed away and the company decided to write off his debts of RM2,000.
- (c) Inventory as at 30 June 2015 had been valued at RM8,000.
- (d) Allowances for bad debts should be adjusted to 5% of the closing receivables balances.

(e) Depreciation for the year ended 30 June 2015 should be provided as follows:

Land & buildings	5% on cost
Machinery	10% on reducing balance

Required:

Prepare Setia Bersatu's Income Statement for the year ended 30 June 2015 and a Statement of Financial Position as at that date.

(25 marks)

Question 2

(a) Essential bhd. bought a machine on 1 January 2010 for RM80,000. It's estimated scrap value is RM4,000 at the end of four years. Outstanding has two options of depreciating the machinery.

Option 1: Depreciate for 40% per year on reducing balance.

Option 2: Depreciate over five years using straight line method.

Required:

Calculate the depreciation expense per year and book value per year for 5 years under each depreciation method.

- (i) The reducing balance method
- (ii) The straight line method

(17 marks)

(b) Assume that all the assets below are depreciated according to the straight line method.

Calculate the item (i), (ii), (iii), (iv), (v), (vi), (vii) & (viii) in the following table:

Fixed Asset	Cost	Estimated life of assets	Estimated scrap value	Annual Depreciation	Rate of depreciation as a percentage of cost price
	RM	Years	RM	RM	
Van	80,000	(ii)	16,000	(i)	20%
Equipment	240,000	5	60,000	(iii)	(iv)
Computer	8,000	(v)	0	800	(vi)

Furniture	(vii)	3	1,000	500	(viii)
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(8 marks)

(Total: 25 marks)

Question 3

	31 December 2012	31 December 2013	31 December 2014
Bad Debts	RM 3,000	RM 4,500	RM 8,000
Accounts receivable (before bad debts)	RM 70,000	RM 100,000	RM 90,000

If the firm's allowance for doubtful debts is at a rate of 5% of the total account receivable balance, calculate:

- The allowance for doubtful debts for 2012, 2013 and 2014. (3 marks)
 - The comparison of the year to year provision and state whether there is an increase or decrease in allowance for doubtful. (1 mark)
 - How are bad debts and allowance for doubtful debts being recorded in statements of profit and Loss Account? Show the extracts for the three years as mentioned above. (9 marks)
 - Show the statement of financial position (extracts) as at the end of each year. (12 marks)
- (Total: 25 marks)

Question 4

Mr. Kwong's cash transactions for the month of January 2015 are as follows:

2015		RM
Jan-01	Balance from last month	
	Cash in hand	100
	Cash at bank	1000

2	Paid James by cheque	250
	Deducted cash discount	10
3	Received cheque from Chen	770
	Allowed cash discount	30
5	Cash sales	880
9	Cash purchases	600
10	Paid advertising by cheque	500
11	Paid custom duty in cash	120
17	Krishnan paid us in cash	490
	Deducted cash discount	10
22	Paid motor expenses in cash	50
24	Cash sales paid direct to bank	400
25	Deposit office cash into bank	600
30	Paid Roslin Trading Sdn Bhd by cheque	1970
	Deducted cash discount	30

Required:

- (a) Enter the above transactions in a 3-column cash book and Balance the cash book. (16 marks)
- (b) Briefly discuss **THREE** types of ledgers. (6 marks)
- (c) Briefly describe the usage of a petty cash book. (3 marks)
- (Total: 25 marks)

Section B : Answer any **ONE (1)** essay question out of **TWO(2)** questions.

Question 5

- (a) Identify **FIVE (5)** external users of accounting information and their primary interest. (10 marks)
- (b) Explain the following accounting term:
- Owner's Equity
 - Return Inwards

- (iii) Discount Received
- (iv) Assets
- (v) Liabilities

(10 marks)

- (c) The final accounts of your company include a note which states: 'these accounts have been prepared on the going concern basis'. Briefly explain what is meant by 'going concern basis'.

(5 marks)

(Total: 25 marks)

Question 6

- (a) Describe any **FOUR (4)** differences between financial accounting and cost accounting.

(8 marks)

- (b) List out **THREE (3)** stages in absorption costing process.

(3 marks)

- (c) Differentiate between fixed costs and variable costs, and provide examples for each cost.

(8 marks)

- (d) Define the following cost with examples:

- (i) Sunk cost
- (ii) Opportunity cost

(6 marks)

(Total: 25 marks)