

FINAL
Alternative Assessment

(COVER PAGE)

Session : August 2020

Programme : Diploma in Culinary Arts (DCAN)
Diploma in Hotel Management (DHM/DHMN)

Course : ACC1103: Business Accounting

Date of Examination : 12 December 2020 (Saturday)

Time : 8:00am – 10:30am Reading Time : Nil

Duration : 2 hours and 30 minutes

Special Instructions :

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

Section B: Answer any **ONE (1)** out of **TWO (2)** questions in the full scope papers.

Materials permitted :

Non-programmable calculator

Materials provided :

Nil

Examiner (s) : Ms. Punitha Asirvatham, Ms. Rozia Abdul Kuthoos

Moderator : Mr. Cheah Kong Yong

This paper consists of 5 printed pages, including the cover page.

DIPLOMA IN CULINARY ARTS (DCAN)
 DIPLOMA IN HOTEL MANAGEMENT (DHM/DHMN)
 ACC1103: BUSINESS ACCOUNTING
 FINAL ALTERNATIVE ASSESSMENT: AUGUST 2020 SESSION

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

Question 1

The following unadjusted trial balance of Brad Trading Co. as at 31 December 2019 is as follows:

Brad Trading Co Unadjusted Trial Balance as at 31 December 2019		
	Debit (RM)	Credit (RM)
Bank Overdraft		13,000
Insurance	10,000	
Accounts Receivables and Accounts Payables	120,000	3,000
Inventory	20,700	
Share Capital		48,200
Motor vehicles, at cost	55,800	
Accumulated Depreciation-Motor Vehicle		9,000
Purchases and Sales	240,000	400,000
Sales Return and Purchases Return	5,500	2,000
Provision for Doubtful Debts		1,000
Wages	14,000	
Heating and Lighting	7,000	
Freight inwards	2,600	
Freight outwards	600	
	476,200	476,200

The following additional information were provided as at 31 December 2019:

- Closing inventory was RM18,000.
- Rental of RM1,000 was paid in advance
- Wages of RM2,000 remained outstanding
- Motor vehicles current year's depreciation of 25% per annum based on reducing balance method.
- Provision for doubtful debts was to be increased by RM2,000.

Required:

- a) Prepare the Income Statement for the year ended 31 December 2019. (15 marks)
- b) Prepare the Statement of Financial Position as at 31 December 2019 (10 marks)
- (Total: 25 marks)**

Question 2

Alpert Tennis Shop sells goods on credit and his terms are for settlement within 30 days. At 31 March 2019 the total of his Accounts Receivable was RM12 600 and included the following:

Date	Customer	Amount (RM)
10 January 2019	Nestor Co.	300
31 January 2019	Faraday Sportswear	550

At 31 March 2019 Alpert decided to:

1. Write off the balances owed by Nestor Co. and Faraday Sportswear as bad debts.
2. Set up a provision for doubtful debts of 4% of the remaining balance of Accounts Receivable. He had not made such a provision.

Required:

- a) Show the journal entry to write off the bad debts as at 31 March 2019
(4 marks)
 - b) Calculate the amount of the provision for doubtful debts at 31 March 2019.(3 marks)
 - c) Show the journal entry to create the provision for doubtful debts as at 31 March 2019
(4 marks)
 - d) Assuming that the journal entries in parts (a) and (c) above are posted, write up the Bad Debts account and the Provision for Doubtful Debts account in Alpert's ledger for the year ended 31 March 2019.
(4 marks)
 - e) Show the extract of Income Statement and Balance Sheet as at 31 March 2019.
(4 marks)
 - f) Name and explain briefly two accounting principles which Alpert is applying by maintaining a provision for doubtful debts.
(6 marks)
- (Total: 25 marks)**

Question 3

Shiras Trading financial year ends on every 31 December. The company purchased an equipment on 1 January 2018 for RM86,000 paying by cheque. The equipment was to be depreciated by 15% per annum using the reducing balance method. On 1 July 2018 the company purchased a motor vehicle for RM70 000. The useful life of the motor vehicle is 8 years and the estimated residual value was RM5 000. The Motor vehicle was to be depreciated using straight-line method. The policy of the company is to provide depreciation in full year in the year of purchase and none in the year of sale.

Required:

- i. Prepare the Equipment account and Motor Vehicle account for the year ended 31 December 2018 and 2019
(6 marks)
- ii. Prepare the Accumulated Depreciation account for Equipment and for Motor Vehicle for the year ended 31 December 2018 and 2019
(8 marks)
- iii. Show the extract of Income Statement for the year ended 31 December 2018 and 2019.
(4 marks)
- iv. Show the extract of Balance Sheet as at 31 December 2018 and 2019. (4 marks)

- v. Explain **THREE (3)** causes of depreciation.

(3 marks)

(Total: 25 marks)

Question 4

Bread History Sdn Bhd has three departments in its production process: Mixing, Baking and Packaging. In May 2018 the company incurs the following production overheads which it plans to allocate and apportion to the three departments:

	RM
Heating and lighting	7 910
Factory Cleaning	910
Supervisors salaries	18 400
Factory Rent	14 210
Factory electricity	6 560
Storekeeper salaries	632
Factory Insurance	1 064
Machinery depreciation	370
Total	50 056

The following information is relevant for the

	Total	Mixing	Baking	Packaging
Floor area (square meter)	7 000	2 500	2 500	2 000
No of employees	16	6	4	6
Value of machinery	44 400	18 240	20 040	6 120
Power (Kw)	6 560	2 160	3 104	1 296
No of materials requisition	632	360	-	272

Required:

Produce an overhead analysis statement for the three departments.

(25 marks)

SECTION B: Answer any **ONE (1)** out of **TWO (2)** questions in the full scape papers.

Question 5

Refer to the situations below:

- a) Neil owns a sporting goods store. In his accounting records, he included his personal computer and all of his personal sporting gear. Neil is violating what principle of accounting? (3 marks)
- b) Simon lists his building at current replacement value, rather than the price he paid for the building. What principle is Simon violating? (3 marks)
- c) Which accounting concept or principle specifically states that we should record transactions that can be verified? (3 marks)
- d) A trader purchase goods for RM25 000, of these 70% of the goods sold during the year. At the end of 31 December 2019, the market value of such goods were RM5 000. But the trader recorded in his books for RM 7 500. In this situation which of the accounting concept is violated? (4 marks)
- e) Gwen owns an antique store. In her accounting records, she includes her car—which is solely used for personal purposes. Which principle is Gwen violating? (4 marks)
- f) Explain the double entry principles. (5 marks)
- g) Differentiate between capital and liability. (3 marks)

Required:

Identify and explain briefly the appropriate **ONE (1)** accounting concept related to each situation.

(Total: 25 marks)

Question 6

Define the following cost terms with two (2) examples each

- i) Product Cost (5 marks)
- ii) Variable Cost (5 marks)
- iii) Direct Cost (5 marks)
- iv) Manufacturing Overhead (5 marks)
- v) Opportunity Cost (5 marks)

(Total 25 marks)