

FINAL ALTERNATIF ASSESSMENT

Examination Paper

(COVER PAGE)

Session : April 2020

Programme : Diploma In Business (DIB)
Diploma In Finance (DIF)
Diploma In Marketing (DMKT)
Diploma In Entrepreneurship (DENT)
Diploma In E-Commerce (DEC)

Course : ACC1112: Financial Accounting

Date of Examination : August 3, 2020 (Monday)

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

Duration : 2 Hours : 30 Minutes

Special Instructions :**SECTION A:** Answer **ALL THREE (3)** questions.**SECTION B:** Answer **ALL** questions.

Materials permitted : Non-Programmable Calculator

Materials provided : Nil

Examiner(s) : Liew Wenn Hing, Lee See Seong, Shindy Lee Jih Shin, Catherine Wong, and Ng Kean Wai

Moderator : Cheah Kong Yong

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

DIPLOMA IN BUSINESS PROGRAMME (DIB)
ACC1112: FINANCIAL ACCOUNTING
FINAL ALTERNATIVE ASSESSMENT: APRIL 2020 SESSION

Instruction: 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 all **THREE (3)** questions. **(75 marks)**

Question 1

The following information relates to Claudia, a sole trader:

Trial Balance as at 31st May 2019

	Debit	Credit
	RM	RM
Heating and lighting	33,061	
Employee costs	97,528	
Commission receivable		992
Rent and rates	54,005	
Telephone	19,852	
Insurance	12,530	
Stationery	4,366	
Allowance for doubtful debts		1,000
Accounts receivable and payable	116,010	107,236
Office equipment at cost	115,724	
Discounts	2,000	1,500
Office equipment: accumulated depreciation (1.6.2018)		10,717
Computer equipment at cost	73,893	
Computer equipment: accumulated depreciation (1.6.2018)		10,217
Inventory at 1.6.2018	18,379	
Purchases and sales	241,696	563,387
Drawings	16,912	
Cash at bank	5,815	
Capital at 1.6.2018		<u>116,722</u>
	811,771	811,771

The following additional information is also available:

- i. Inventory at cost at 31st May 2019, based on a physical stocktake on that day, amounted to RM28,182.
- ii. Depreciation for the year at the rate of 5% is to be provided on the cost of office equipment; and at the rate of 20% on the net book value of computer equipment.

- iii. The amount shown for insurance on the trial balance includes a premium paid of RM3,120, which represents the annual insurance premium to 30th November 2019.
- iv. Telephone totaling RM503 have been incurred but not yet invoiced.
- v. An allowance for doubtful debts of 10% of the accounts receivable is to be provided.
- vi. During the year, Claudia took goods for her own use that had cost RM2,500. This has not been recorded in the trial balance figures.

Required:

- (a) Prepare the statement of profit or loss for Claudia for the year ended 31 May 2019. (15 marks)
 - (b) Prepare a statement of financial position for Claudia for the year ended 31 May 2019. (10 marks)
- (Total 25 marks)**

Question 2

East Tech started trading on 1 January 2017. The owner of East Tech decided to adjust its provision for doubtful debts at the end of each financial year on a percentage basis. The following details are available for the year ended 31 December 2017, 2018 and 2019:

Year	2017 RM	2018 RM	2019 RM
Trade receivable (after writing off bad debts)	125,800	139,400	128,000
Bad debts written off	1,887	2,509	-
Allowance for doubtful debts	2%	2.5%	2.5%

Debt amounting to RM2,110 proved bad and were written off in 2017, was received in full on 12 March 2019.

Required:

Show extracts from the following accounts for each of the years:

- (a) Bad debts (4 marks)
- (b) Allowances for doubtful debts (8 marks)
- (c) Bad debts recovered (2 marks)

- (d) Statement of profit or loss (extract) (5 marks)
- (e) Statement of financial position (extract) (6 marks)
- (Total 25 marks)**

Question 3

- (a) Jalaram Mill bought a machinery on 1 October 2017 for RM150,000 paid by internet transfer. It was the policy of the business to depreciate non-current assets on 31 December every year, at the rate of 10% per annum under the reducing balance method on full year basis.

On 10 July 2019, additional machine was purchased for RM320,000 paid by cheque.

Required:

Show extracts of the following for years 2017, 2018 and 2019:

- (i) Statement of profit or loss (extract) (6 marks)
- (ii) The non-current assets section of the statement of financial position (9 marks)
- (b) Padang Lepas Berhad is a furniture manufacturer and retailer. As the company's accounting officer, you are preparing the books of the company with the following information:

ELECTRICITY

- (i) Electricity expense is a flat rate of RM10,000 per month.
- (ii) As at 1 January 2019, electricity bills were unpaid for the months of November and December 2018.
- (iii) Total RM150,000 is paid for electricity during the year to 31 December 2019.

RENT RECEIVED

- (i) Rent income is a flat rate of RM12,000 per month.
- (ii) As at 1 January 2019, the occupant of the rental property still owed for the month of December 2018.
- (iii) During the year to 31 December 2019, RM72,000 is received from the occupant of the rental property.

Required:

Show the relevant extracts of the following for the year of 2019:

- (iii) Statement of profit or loss (extract) (4 marks)
- (iv) Statement of financial position (extract) (6 marks)
- (Total 25 marks)**

SECTION B: Answer the ONE (1) question. (25 marks)**Question 4**

- (a) Complete the following table:

		Accounts to be debited	Accounts to be credited
(i)	JS Stationery & Book Supply has bought a large bulk of A4 size paper rims for stocking purpose by cheque		
(ii)	Filing cabinets returned to Riddle Berhad		
(iii)	Bought goods on credit for large bulk from Asma Sdn. Berhad and obtained 2% discount of the invoice amount.		

(6 marks)

- (b) Briefly explain **TWO (2)** items that cause the value of capital to fall. (5 marks)
- (c) Is it possible for the Bank Account to have a credit balance? Why? (3 marks)
- (d) Accounting information is used by many people, both as individuals and in organizations. Explain briefly the purposes of accounts government and owners. (4 marks)
- (e) If Tam received the damaged goods from his customer Kam, what is the document Tam should issue out and the relevant accounting entry? Briefly explain on the document issued. (4 marks)
- (f) Define the term of 'Bookkeeping.' (3 marks)

(Total 25 marks)

~ The End ~

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