

**FINAL**  
Examination Paper

(COVER PAGE)

Session : April 2017

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

Course : ACC1103 : Business Accounting

Date of Examination : August 5, 2017 (Saturday)

Time : 11:00 am – 1:00 pm

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.

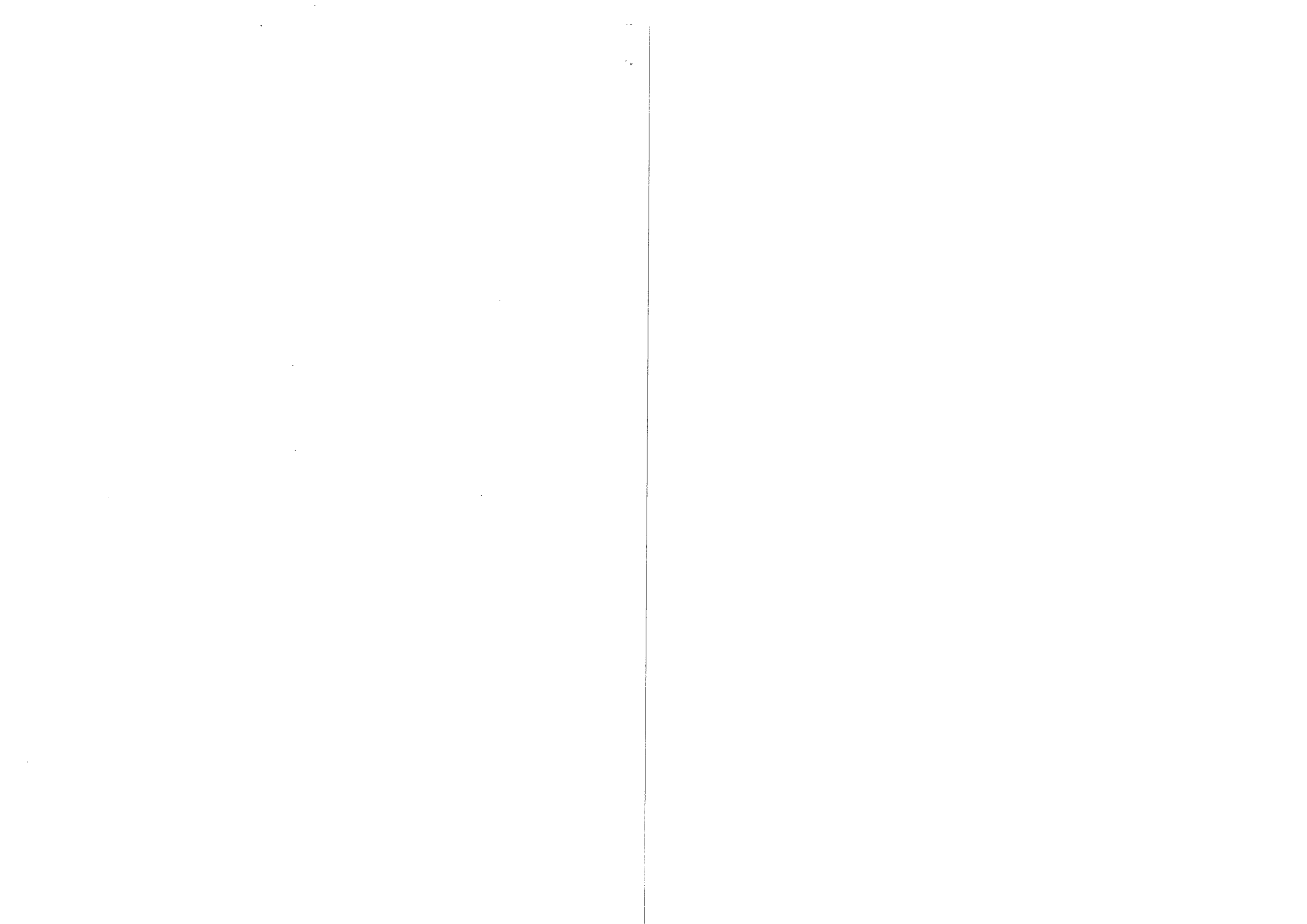
**IMPORTANT NOTE** : THIS PAPER SHOULD NOT BE TAKEN OUT OF THE EXAMINATION HALL

Materials Permitted : Calculator

Materials Provided : Nil

Examiner(s) : Mr Chang Yaw Yun and Ms Tham Yoke Mei

Moderator : Ms Chou Chee Ling



DIPLOMA IN HOTEL MANAGEMENT PROGRAMME (DHMN)  
 DIPLOMA IN CULINARY ARTS PROGRAMME (DCA)  
 ACC1103: BUSINESS ACCOUNTING  
 FINAL EXAMINATION: APRIL 2017 SESSION

**Instructions : SECTION A :** Answer any **THREE (3)** out of **FOUR (4)** questions in the answer booklet provided.

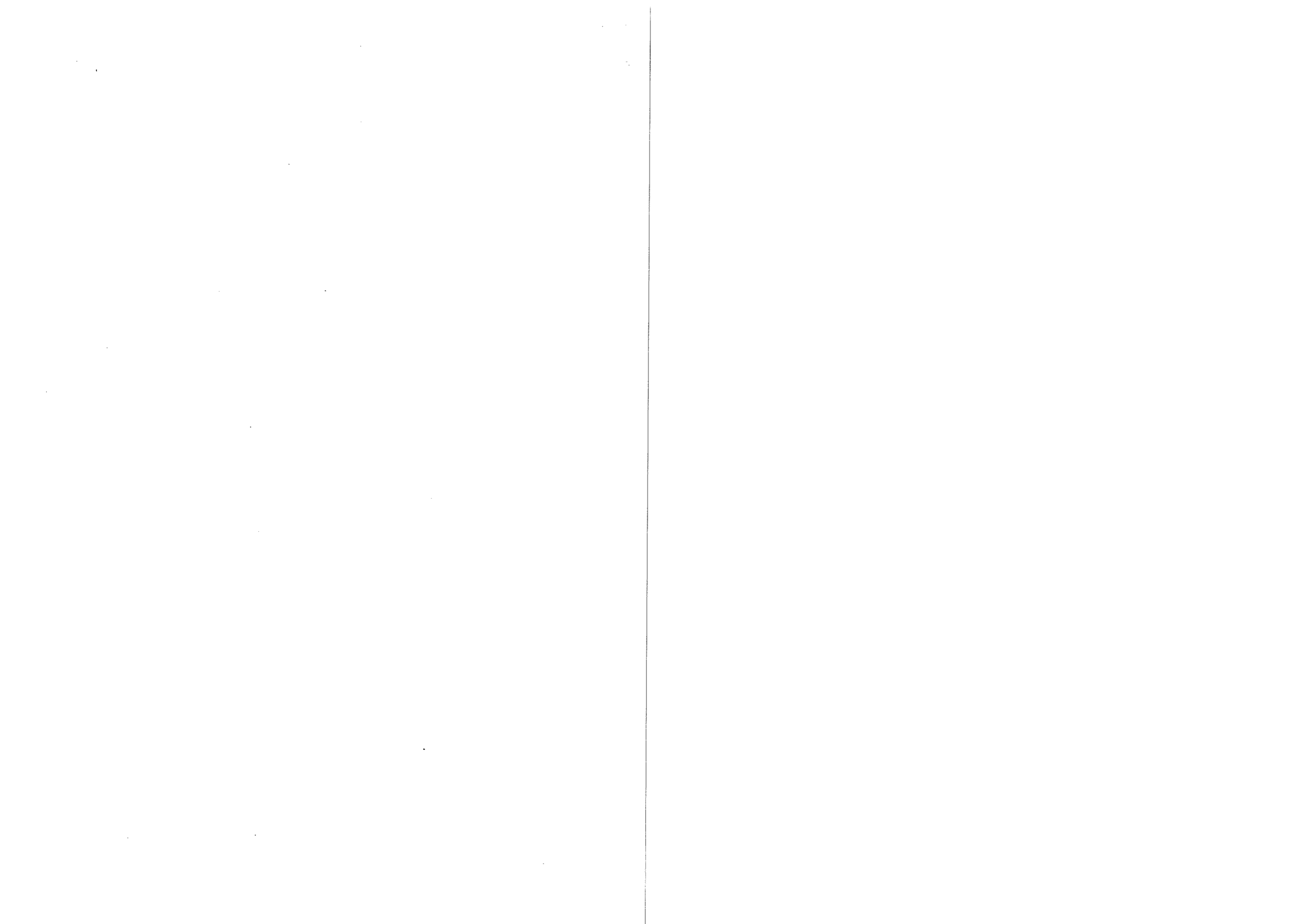
**Question 1**

The following trial balance was extracted from the ledger of Dunlop Trading.

|  | RM      | RM      |
|--|---------|---------|
| Capital at 1 January 2016                |         | 327,600 |
| Cash at bank                             | 12,000  |         |
| Accounts Receivable                      | 56,000  |         |
| Inventory at 1st January 2016            | 180,000 |         |
| Drawings                                 | 5,000   |         |
| Accounts Payable                         |         | 6,000   |
| Sales                                    |         | 204,000 |
| Purchases                                | 133,000 |         |
| Returns inwards                          | 9,000   |         |
| Returns outwards                         |         | 13,000  |
| Motor Vehicle at cost                    | 60,000  |         |
| Accumulated Depreciation : Motor Vehicle |         | 22,000  |
| Office Equipment at cost                 | 70,000  |         |
| Discount Received                        |         | 4,000   |
| Bad debts written off                    | 10,000  |         |
| Administration costs                     | 39,000  |         |
| Interest expense                         | 3,600   |         |
| Rental Income                            |         | 1,000   |
| Total                                    | 577,600 | 577,600 |

**Additional information:**

- (i) Closing inventory RM146,000.
- (ii) Depreciation on motor vehicle is charged at 20% per annum on cost.
- (iii) The office equipment is expected to be used for 10 year, with estimated scrap value of RM7,000.
- (iv) Interest accrued at RM400.
- (v) Rental income received in advance at RM500.
- (vi) Administration costs include cleaning fee prepaid RM1,000.



**Required:**

- (a) Prepare an Income Statement for the year ended 31 December 2016 for Dunlop Trading. (17 marks)
- (b) Prepare a Statement of Financial Position as at 31 December 2016. (8 marks)
- (Total: 25 marks)

**Question 2**

A business started trading on 1 January 2015. During the two years ended 31 December 2015 and 2016 the following debts were written off to the bad debts account on the dates stated:

|                  |        |        |
|------------------|--------|--------|
| 31 January 2015  | Tony   | RM432  |
| 30 April 2015    | Annie  | RM746  |
| 30 November 2015 | Rahman | RM1776 |
| 28 February 2016 | Penny  | RM857  |
| 31 May 2016      | Ahmad  | RM903  |
| 31 December 2016 | Betty  | RM1186 |

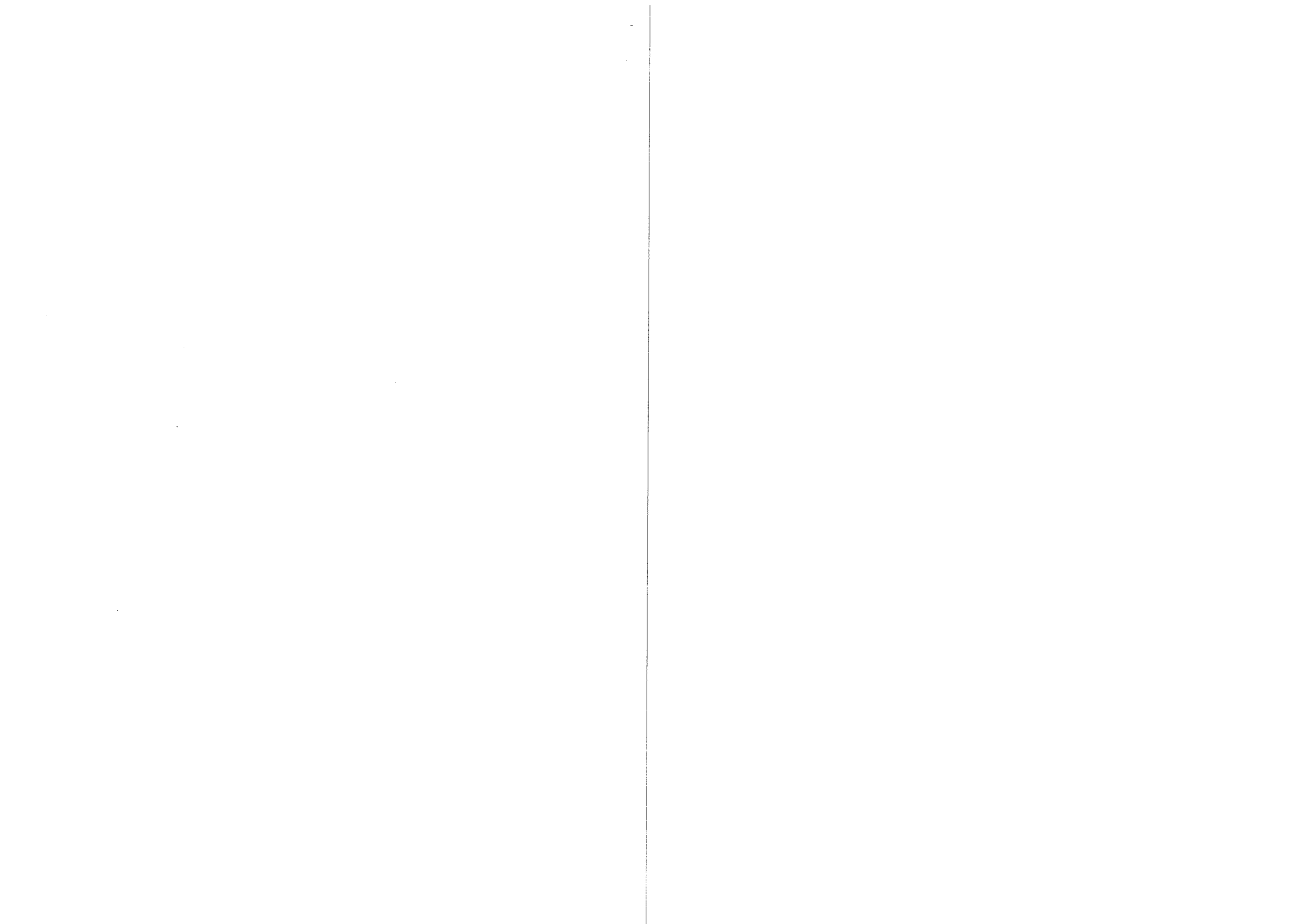
On 31 December 2015 the total account receivables were RM103,600. It was decided to make an allowance for doubtful debts of 3%.

On 31 December 2016 the total account receivables were RM112,900. It was decided that the allowance for doubtful debts to increase to 3%.

**Required:**

- (a) Prepare the bad debts account and the allowance for doubtful debts account for the years 2015 and 2016. (13 marks)
- (b) Prepare the following extracts;
- Income Statement for the year ended 31 December 2015 and 2016 respectively.
  - Statement of Financial Position as at 31 December 2015 and 2016 respectively. (12 marks)

(Total: 25 marks)



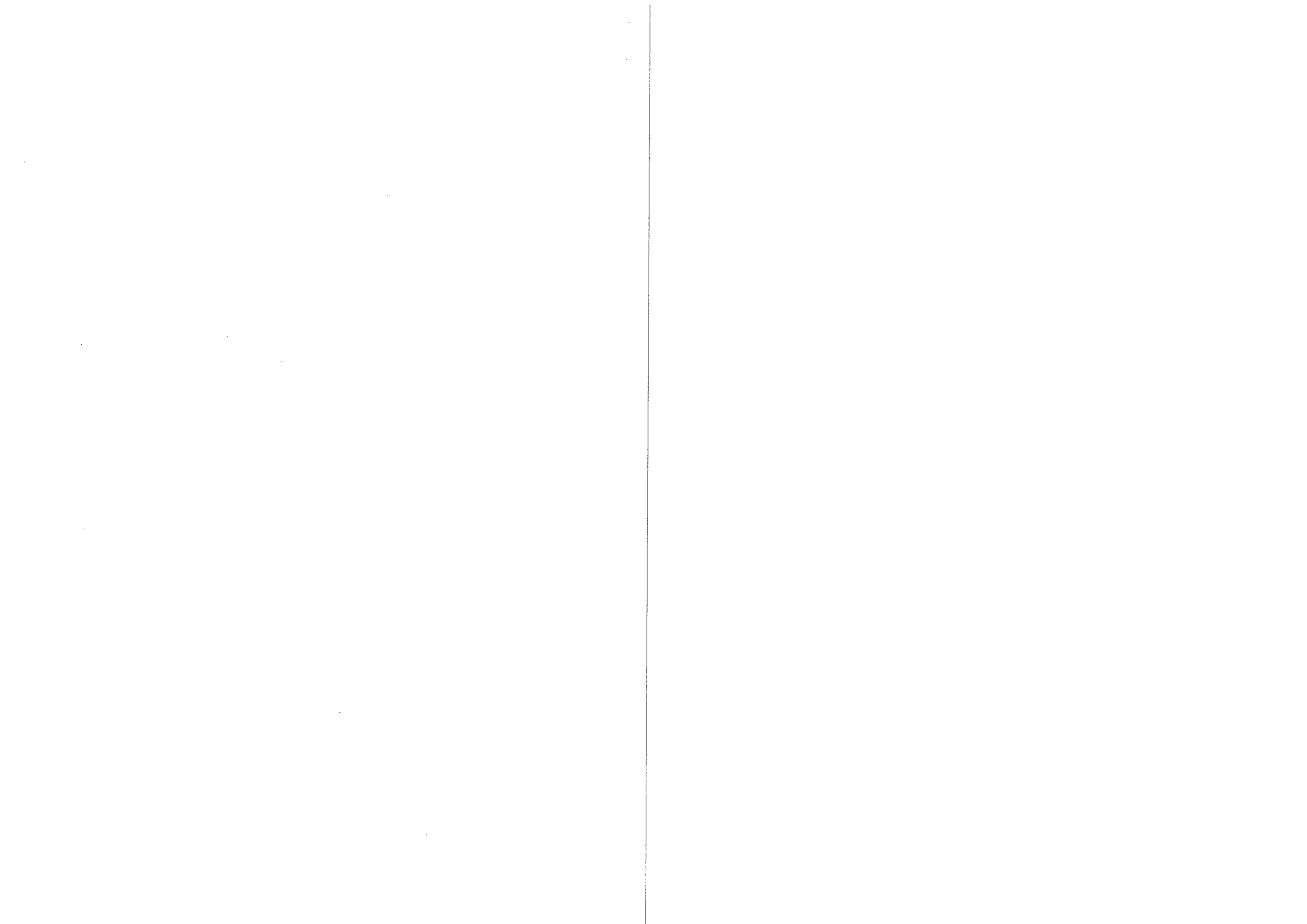
## Question 3

Stephanie Enterprise

| 2016<br>May | Details   |
|-------------|---|
| 1           | Balance brought forward: Cash RM 230, Bank RM 4,756.  |
| 2           | The following paid their accounts by cheque, in each case deducting 5% cash discounts:<br>Burton RM 140, Taylor RM 220, Harris RM 300 (all amounts are pre-discount)  |
| 4           | Paid rent by cheque RM 120.   |
| 6           | Cotton lent us RM 1,000 paying by cheque.   |
| 8           | We paid the following accounts by cheque in each case deducting a 2 ½ % cash discounts:<br>Black RM 360, Towers RM 480, Rowse RM 800 (all amounts are pre-discount)   |
| 10          | Paid motor expenses by cash RM 44.  |
| 12          | Hankins pays his accounts RM 77, by cheque RM 74, deducting RM 3 cash discount.   |
| 15          | Paid wages in cash RM 160.  |
| 18          | The followings paid their accounts by cheque in each case deducting 5 % cash discount:<br>Winston RM 260, Wilson RM 340, Winter RM 460 (all amounts are pre-discount) |
| 21          | Cash withdrawn from the bank RM 350 for business use.   |
| 24          | Cash drawings RM 120  |
| 25          | Paid Brian his account of RM 140, by cash RM 133, having deducted RM 7 cash discount.   |
| 29          | Bought fixtures paying by cheque RM 650.  |
| 31          | Received commission by cheque RM 88.  |

Write up a three column cash book for a marketing agency, Stephanie Enterprise, from the above list of transactions, and balance it off as at the end of the month.

(Total: 25 marks)



**Question 4**

- (a) Pizza Mart started business on 1 January 2017. Its financial year ends on 31 December. The restaurant bought a truck costing RM140,000 by cheque on 1 January 2017. It is decided its useful life is estimated at 5 years and its scrap value is estimated at RM30,000. (Assume 25% is adopted for reducing balance method)

**Required:**

- (i) Prepare the Schedule (table) of Depreciation under both straight-line and reducing balance method for the next **TWO (2)** years (4 marks)
- (ii) For reducing balance method, prepare an accumulated depreciation account (**T-account**) for the year 2017. (2 marks)
- (iii) For reducing balance method, prepare Statement of Financial Position for the year 2017. (3 marks)

- (b) Sentosa Factory is a manufacturing company with four production departments: Machining, Assembly, Painting and Packing. The following data relates to the four departments:

|                            | Machining | Assembly | Painting | Packing |
|----------------------------|-----------|----------|----------|---------|
| Floor area (Sq. Metres)    | 2000      | 1500     | 1000     | 500     |
| Plant at cost(RM000)       | 90        | 30       | 20       | 10      |
| No. of Stores requisitions | 300       | 200      | 250      | 50      |

During the three months to March 31, Sentosa Factory. incurred the following expenditure: RM

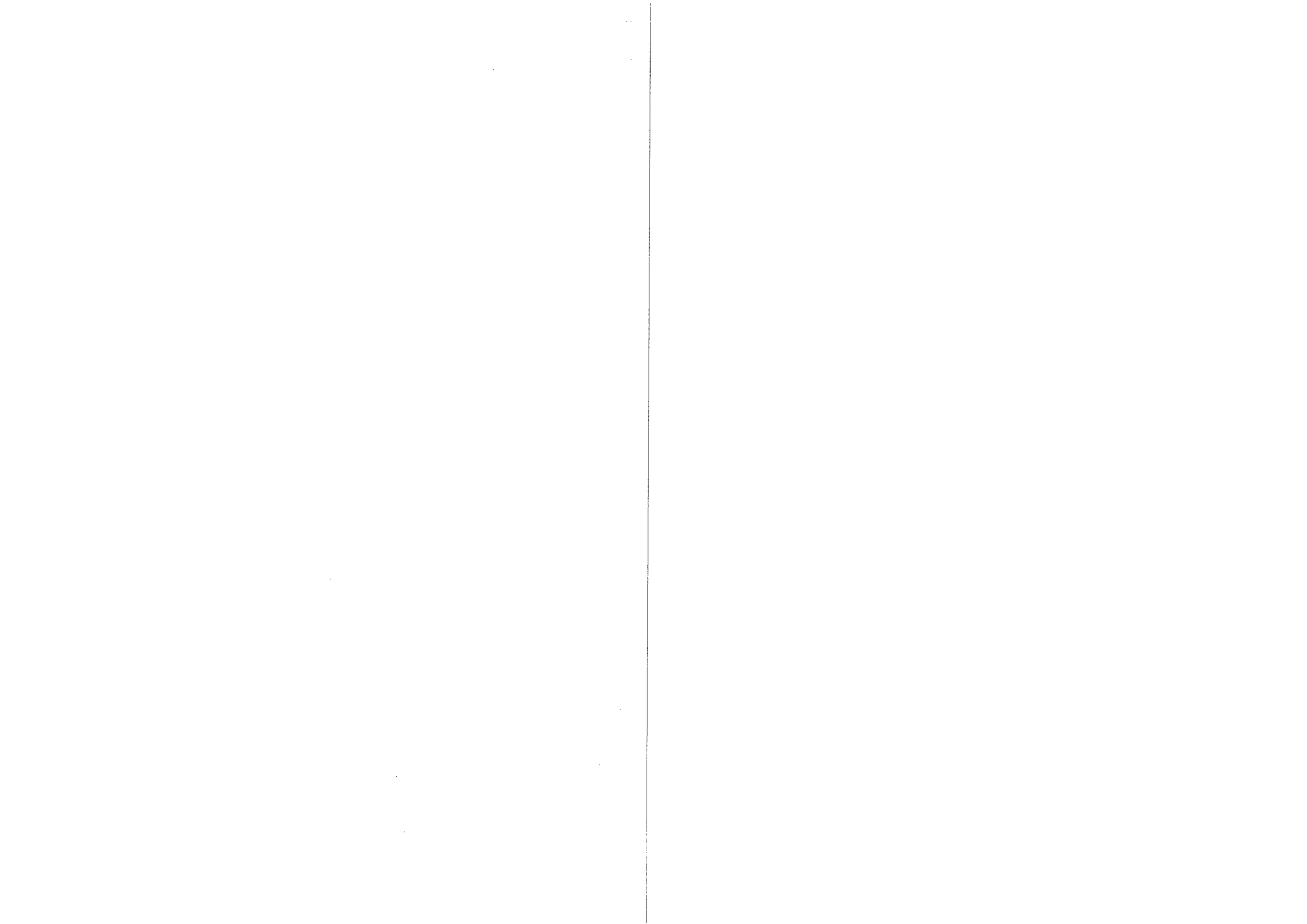
|                            |                      |      |
|----------------------------|----------------------|------|
| Indirect labor             | Machining Department | 4100 |
|                            | Assembly Department  | 5000 |
|                            | Painting Department  | 4700 |
|                            | Packing Department   | 3400 |
| Heating                    |                      | 2500 |
| Plant depreciation         |                      | 9000 |
| Factory Storekeeping costs |                      | 6400 |

**Required:**

Prepare an overhead analysis statement showing the allocation and apportionment of overheads to the four production departments

(16 marks)

(Total: 25 marks)



SECTION B : Answer any ONE (1) out of TWO (2) questions.

**Question 5**

(a) Identify FIVE (5) external users of accounting information and their primary interest. (10 marks)

(b) Name the book of prime entry for each of the transactions below :

- (i) Sold goods on credit
- (ii) Paid salary by cheque
- (iii) Returned defective goods to supplier
- (iv) Owner brought in personal computer for business use
- (v) Customers returned goods wrongly sent
- (vi) Paid creditor by cheque
- (vii) Made adjustments on doubtful debts
- (viii) Cash sales bank in
- (ix) Paid office expenses by cash
- (x) Credit sales to customer in Kuala Lumpur

(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 three differences between financial accounting and management accounting (6 marks)

(b) Explain the following costing terms with examples:

- (i) Direct costs
- (ii) Indirect costs
- (iii) Fixed costs
- (iv) Variable costs
- (vi) Semi-variable costs

(15 marks)

(c) Describe opportunity cost. (4 marks)

(Total: 25 marks)

**-THE END-**

