



FINAL
Examination Paper

(COVER PAGE)

Session : January 2014

Programme : Diploma In Hotel Management (DHMN)

Course : ACC1103 : Business Accounting

Date of Examination : _____

Time : _____ Reading Time: _____ Nil

Duration : 2 Hours

Special Instructions :

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

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

Materials permitted : _____
Nil

Materials provided : _____
Nil

Examiner (s) : Ms Jessie Lee

Moderator : Ms Chou Chee Ling

This paper consists of 7 printed pages, including the cover page.

INTI INTERNATIONAL COLLEGE SUBANG
DIPLOMA IN HOTEL MANAGEMENT (DHM)
ACC1103: BUSINESS ACCOUNTING
FINAL EXAMINATION: JANUARY 2014 SESSION

Instructions: This paper consists of **TWO (2)** sections. Answer any **THREE (3)** questions from **SECTION A** and any **ONE (1)** question in **SECTION B** in the answer booklet provided.

SECTION A: Answer any THREE (3) questions.

Question 1

The following is the trial balance extracted from the books of Chan as at 31 December 2013:

	Debit	Credit
	RM	RM
Traveling expenses	1,040	
Carriage inwards	156	
Discount allowed	48	
Discount received		138
General expenses	2,056	
Utilities expenses	2,560	
Carriage outwards	546	
Salesman salaries and commission	5,480	
Capital as at 1 January 2013		20,000
Long Term Loan - Sunny Group		2,000
Drawings	1,750	
Trade payables		10,056
Bank Charges	585	
Rent	2,000	
Return Inwards	186	

Return Outwards		135
Salaries	3,500	
Printing and Stationery	640	
Freehold Buildings	9,000	
Furniture and Fittings	2,500	
Plant and Machinery	7,500	
Inventory as at 1 January 2013	8,000	
Cash at bank	1,650	
Purchases	86,046	
Sales		124,450
Bad debts	256	
Trade receivables	21,280	
	<hr/>	<hr/>
	156,779	156,779
	<hr/>	<hr/>

Additional information:

Inventory as at 31 December 2013 was valued at RM 7,550.

Required:

- (a) Prepare an Income Statement for the year ended 31 December 2013. (14 marks)
- (b) Prepare a Statement of Financial Position as at 31 December 2013. (11 marks)
- (Total: 25 marks)**

Question 2

The following details are the business transactions of Tammy Enterprise for the month of June 2013

June

- 1 Started business with RM 1,000 in the bank.
- 2 Bought goods on credit from: Kee RM76; Mei Lin RM27; and Indra RM56.
- 5 Cash sales RM 87
- 6 Paid wages in cash RM 14
- 7 Sold goods on credit to: Hilly RM 35; Jack RM 42; Clinton RM 72.
- 9 Bought goods for cash RM 46
- 10 Bought goods on credit from: Mei Lin RM 57; Indra RM 98.
- 12 Paid wages in cash RM 14.
- 13 Sold goods on credit to : Jack RM32; Clinton RM23.
- 15 Bought furniture from Stella Design RM 50
- 17 Paid Mei Lin RM 84 by cheque
- 18 We returned goods to Indra RM 20
- 21 Paid Stella Design a cheque for RM 50
- 24 Clinton paid us a cheque for RM 95
- 27 We returned goods to Kee RM 24
- 30 Josephine lent us RM 60 by cash
- 30 Bought a motor van paying by cheque RM 400

Required:

- (a) Record the transactions in the books of Tammy Enterprise. (15 marks)
 - (b) Prepare the Trial Balance as at 30 June 2013. (10 marks)
- (Total : 25 marks)**

Question 3

- (a) Jelita Berhad started business on 1 January 2011. The accounting period end 31 December each year. Stated below are the list of account receivable, bad debts, and allowance for doubtful debts for the first three accounting years:

Years	2011	2012	2013
Bad debts written off	RM6,000	RM10,000	RM4,000
Account Receivable (before writing off bad debts)	RM210,000	RM290,000	RM190,000
Allowance for Doubtful Debt	4%	5%	4%

REQUIRED:

Prepare the following accounts for the years ending 31 December 2011, 2012 and 2013.

- (i) Bad debts (3 marks)
- (ii) Allowance for doubtful debts (9 marks)
- (b) Assume a firm's financial year end on 31 December. On 1 January 2010, the firm bought a machine for RM84,500 and was paid by cheque. The machine was depreciated by 10% per annum using the reducing balance method. On 15 January 2013 the machine was sold for RM55,000 cash. Ignore depreciation in the year of sale.

REQUIRED:

Prepare the relevant entries for each of the following accounts for the year ended 31 December 2013 only:

- (i) Machine Account (3 marks)
- (ii) Accumulated Depreciation – Machine Account (5 marks)

(iii) Machine Disposal Account

(5 marks)

(Total: 25 marks)**Question 4**

Half-A-Cow Sdn Bhd manufactures a single product called 'Smudge'. The following information relates to the budgeted cost and sales for the year ended 31 July 2013:

		RM
Sales	8,000 units	20 per unit
Direct materials		4 per unit
Direct labour		3 per unit
Variable overheads:	Production	2 per unit
	Selling	1 per unit
Fixed overheads:	Production	30,000
	Selling	5,000
	Administration	25,000

Required :

Calculate the following :

- (a) Break-even point in units and value. (6 marks)
- (b) The profit or loss if the units sold are:
- (i) 5,000 units (3 marks)
- (ii) 10,000 units (3 marks)
- (c) The number of units to be sold if the target profit is RM25,000. (3 marks)

- (d) The new break-even point if the management decide to boost sales by increasing the advertising expenses by RM20,000.

(3 marks)

- (e) The new selling price if the direct labour cost is increased by 20% and the direct material cost increased by 10%. In addition, the company wants to maintain a profit of RM52,000 at an output level of 8,000 units.

(7 marks)

(Total: 25 marks)

SECTION B: Answer any ONE (1) question.

Question 5

- a) Financial Accounting is used by many users. Identify **FOUR (4)** of these users and explain their information needs.

(13 marks)

- b) Explain the following accounting concepts and provide appropriate examples:

- i) Prudence Concept
- ii) Materiality Concept
- iii) Economic Entity Concept

(12 marks)

(Total: 25 marks)

Question 6

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

(3 marks)

- b) Discuss **FOUR (4)** differences between financial accounting and cost accounting.

(12 marks)

c) Differentiate between fixed costs and variable costs, and give an example for each costs.

(6 marks)

d) Define the following costs:

i) Sunk cost

ii) Opportunity cost

(4 marks)

(Total: 25 marks)

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