



**FINAL**  
Examination Paper

(COVER PAGE)

Session : April 2019

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

Course : ACC1103 : Business Accounting

Date of Examination : August 2, 2019 (Friday)

Time : 5:00 pm – 7:00 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) : Chang Yaw Yun and Punitha Asirvatham

Moderator : Ms Chou Chee Ling

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

DIPLOMA IN HOTEL MANAGEMENT PROGRAMME (DHMN)  
 DIPLOMA IN CULINARY ARTS PROGRAMME (DCAN)  
 ACC1103: BUSINESS ACCOUNTING  
 FINAL EXAMINATION: APRIL 2019 SESSION

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

**Question 1**

The following unadjusted trial balance of Harrison, a sole trader as at 31 December 2017 is as follows:

| Harrison  |            |             |
|---|------------|-------------|
| Unadjusted Trial Balance as at 31 December 2017 |            |             |
|   | Debit (RM) | Credit (RM) |
| Bank  |            | 13,000      |
| Trade Payables                                  |            | 3,000       |
| Trade Receivables                               | 120,000    |             |
| Inventory                                       | 20,700     |             |
| Capital   |            | 38,200      |
| Motor vehicles, at cost                         | 55,800     |             |
| Accumulated Depreciation-Office Equipment       |            | 9,000       |
| Sales   |            | 400,000     |
| Purchases                                       | 240,000    |             |
| Returns Inwards & Returns Outwards              | 5,500      | 2,000       |
| Provision for Doubtful Debts                    |            | 1,000       |
| Salary Expense                                  | 14,000     |             |
| Rent Expense                                    | 7,000      |             |
| Carriage inwards                                | 2,600      |             |
| Carriage outwards                               | 600        |             |
|   | 466,200    | 466,200     |

The following additional information were provided as at 31 December 2017:

- Closing inventory was RM18,000.
- January 2018 rental of RM1,000 was included in the rent expense.
- Salaries of RM2,000 remained outstanding.
- Depreciation on motor vehicles was to be provided using reducing balance method at a rate of 25% per annum.
- Provision for doubtful debts was to be increased by RM2,000.

**Required:**

- (a) Prepare the Income Statement for the year ended 31 December 2017. (13 marks)
- (b) Prepare the Statement of Financial Position as at 31 December 2017. (12 marks)

**(Total: 25 marks)****Question 2**

A company maintains its non-current assets at cost. Accumulated Depreciation accounts for each asset are kept separately. At 31 December 2015 the position was as follows :

|                  | Total Cost (RM) | Accumulated Depreciation to date (RM) |
|------------------|-----------------|---------------------------------------|
| Office Equipment | 94,500          | 28,350                                |
| Motor Vehicles   | 3,200           | 1,280                                 |

The following additions were made during the financial year ended 31 December 2016:  
Office Equipment RM16,000, Motor Vehicle RM460

An Office Equipment bought in 2012 for RM1,600 was sold for RM360 during the year.  
The rates of depreciation are:

Office Equipment 20%, Motor Vehicles 10%, using straight line method, calculated on the assets in existence at the end of each financial year irrespective of the date of purchase.

The policy of the company is to provide a full year's depreciation in the year of purchase and none in the year of disposal.

**Required:**

Prepare the following accounts for the year ended 31 December 2016:

- (a) Office Equipment A/C (4 marks)
- (b) Motor Vehicles A/C (3 marks)
- (c) Accumulated Depreciation – Office Equipment (4 marks)
- (d) Accumulated Depreciation – Motor Vehicles (3 marks)
- (e) Disposal A/C (7 marks)
- (f) Statement of Financial Position as at 31 December 2016 (extract) (4 marks)

**(Total: 25 marks)**

**Question 3**

During the year ended 31 December 2018, Bruce Ma, a wholesaler, wrote off the following bad debts:

|             |  |
|-------------|--|
| Rahman      | RM5,120 written off on 2 March 2018    |
| Ben Chan    | RM500 written off on 18 May 2018       |
| Vinod       | RM1,750 written off on 30 August 2018  |
| Horace Pang | RM1,200 written off on 3 November 2018 |

On 28 November 2018, a cheque for RM300 was received from Ben Chan in settlement of his account. His account had been written off as a bad debt during the year.

The allowance for doubtful accounts had a balance of RM1,500 as at 1 January 2018. On 31 December 2018, Bruce decided to increase the allowance for doubtful accounts to 8% of accounts receivable. Accounts receivable as at that date amounted to RM70,000.

Required:

- (a) Draw up the bad debts account and allowance for doubtful accounts account for the year ended 31 December 2018. Show the amounts to be transferred to the profit and loss account. (15 marks)
- (b) Prepare an income statement extract for the year ended 31 December 2018. (3 marks)
- (c) Prepare a balance sheet extract as at 31 December 2018. (4 marks)
- (d) Differentiate between bad debts and doubtful debts. (3 marks)

**(Total: 25 marks)**

**Question 4**

Amis Biscuit Sdn Bhd has three principal departments in its production process: mixing, baking and packaging. In April 2018 the company incurs the following production overheads which it plans to allocate and apportion to the three departments:

|                                   | RM            |
|-----------------------------------|---------------|
| Heating & lighting                | 7,910         |
| Factory cleaning                  | 910           |
| Supervisor salaries               | 18,400        |
| Factory rental and business rates | 14,210        |
| Electricity                       | 6,560         |
| Factory Storekeeper costs         | 632           |
| Building insurance                | 1,064         |
| Machinery depreciation            | 370           |
| <b>Total</b>                      | <b>50,056</b> |

The following information is relevant for the apportionment of overheads:

|                          | Total       | Mixing      | Baking       | Packaging    |
|--------------------------|-------------|-------------|--------------|--------------|
| Floor area               | 7,000 sq. m | 2,500 sq. m | 2,500 sq. m. | 2,000 sq. m. |
| No of Employees          | 16          | 6           | 4            | 6            |
| Value of Machinery       | RM44,400    | RM18,240    | RM20,040     | RM6,120      |
| Power (Kw)               | 6,560       | 2,160       | 3,104        | 1,296        |
| No materials requisition | 632         | 360         | -            | 272          |

Required: produce a schedule apportioning the overheads to the three departments.

(25 marks)

**(Total: 25 marks)**

**SECTION B** : Answer any **ONE (1)** out of **TWO (2)** questions in the answer booklet provided.

**Question 5**

- (a) Match each of the following statements with the appropriate accounting concepts. Some concepts may be used more than once, while others may not be used at all. Use the notations shown to indicate the appropriate accounting concepts.

| Accounting Concepts       | Notations |
|---------------------------|-----------|
| Accounting Period         | A         |
| Adequate Disclosure       | B         |
| Business Entity           | C         |
| Historical Cost           | D         |
| Going Concern             | E         |
| Matching Concept          | F         |
| Objectivity concept       | G         |
| Money Measurement Concept | H         |
| Reliability concept       | I         |

Statements

1. Land worth RM8000,000 is reported at its original cost of RM220,000.
  2. Personal transactions of owners are kept separated from the business.
  3. Monthly utility costs are reported as expense along with the monthly revenues.
  4. This concept justifies recording only transactions that are expressed in ringgit.
  5. Assume that a business will continue forever.
  6. Changes in the use of accounting methods from one period to the next are described in the notes of the financial statements.
  7. Financial reporting is needed to be unbiased.
  8. Financial information needs to be trusted by the users.
  9. Assets are recorded at purchase price.
  10. Business have indefinite lives.
- (10 marks)
- (b) Explain the difference between cash book and petty cash book. (4 marks)
- (c) Explain what is meant by 'depreciation'. (3 marks)
- (d) Describe **FOUR** types of credit control procedures. (8 marks)

**(Total: 25 marks)**

**Question 6**

(a) Explain the following types of business organizations:

- (i) Sole proprietorship
- (ii) Partnership
- (iii) Limited company
- (iv) Public company

(12 marks)

(b) Describe the purposes of using fixed and variable costs.

(4 marks)

(c) Define the following cost term with examples:

- (i) Manufacturing Overhead
- (ii) Opportunity Cost
- (iii) Sunk Cost

(3 marks)

(3 marks)

(3 marks)

**(Total: 25 marks)**

**-THE END-**

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