

FINAL
Examination Paper

(COVER PAGE)

Session : August 2019

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

Course : ACC1103 : Business Accounting

Date of Examination : December 10, 2019 (Tuesday)

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) : Chang Yaw Yun and Henry Ooi Kean Seng

Moderator : Ms Chou Chee Ling

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

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

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

Question 1

The following were the balances of Champ Cosmetic Enterprise as at 31 August 2018:

Trial Balance as at 31 August 2018

	Debit (RM)	Credit (RM)
Capital at 1 September 2017		150,000
Freehold land and building	400,000	
Furniture and fittings	19,000	
Opening Stock	61,000	
Purchases	587,000	
Sales		693,000
Trade receivables	58,500	
Trade payables		43,450
Rental received		12,750
Long-term loan from Malayan Finance		350,000
Bank interest	25,000	
Discount allowed	3,900	
Discount received		9,250
Provision for bad debts as at 1 September 2017		1,100
Bad debts	3,250	
Wages and Salaries	50,450	
Drawings	6,000	
Office expenses	8,650	
Cash at bank	6,800	
Office rental payable	30,000	
	<u>1,259,550</u>	<u>1,259,550</u>

Additional information:

- (i) Inventory as at 31 August 2018 was RM 85,000.
- (ii) Wages and salaries outstanding as at 31 August 2018 amounted to RM 4,150.
- (iii) Office rental payable owing was RM 6,000.
- (iv) The provision for doubtful debts was at 3% of the receivables' balance at year-end.
- (v) Rental received still owed RM 1,500.
- (vi) Bank loan interest payable owing was 7.5% of loan to Malayan Finance.
- (vii) Ignore depreciation.

Required:

(a) Prepare the Income Statement for the year ended 31 August 2018. (13 marks)

(b) Prepare the Statement of Financial Position as at 31 August 2018. (12 marks)

(Total: 25 marks)

Question 2

A company started business on 1 January 2015. The financial year end being 31 December. You are to show:

(a) The kitchen equipment account. (9 marks)

(b) The provision for depreciation account. (10 marks)

(c) The appropriate extract from the statement of financial position for each of the years 2015, 2016, 2017, 2018. (6 marks)

The purchases of the equipment were:

2015	1 January	1 kitchen equipment costing RM8,000
2016	1 July	2 kitchen equipment costing RM5,000 each
	1 October	1 kitchen equipment RM6,000
2018	1 April	1 kitchen equipment RM2,000

Depreciation is at the rate of 10 per cent per annum, using the straight-line method. The depreciation is to be calculated on a strict time basis for the period the asset s owned.

(Total: 25 marks)

Question 3

Tri Rings is a textile company. The following information is given regarding the account receivables (before writing off bad debts):

Account receivables at 31 December 2016	RM50,000
Account receivables at 31 December 2017	RM35,000
Account receivables at 31 December 2018	RM45,000
Account receivables at 31 December 2019	RM30,000

The allowance for doubtful debts at each year end is estimated to be 5% of account receivables figures, after written off bad debts.

Bad debts to be written off are as follows:

31 December 2017	RM2,000
31 December 2018	RM3,000

Required:

- (a) Prepare the bad debts account for years ended 31 December 2017 and 2018 respectively. (4 marks)
- (b) Prepare the provision for doubtful debts account for years ended 31 December 2016, 2017, 2018 and 2019. (10 marks)
- (c) Show the appropriate extracts from Income Statement for each of the years ended 31 December 2016, 2017, 2018 and 2019. (5 marks)
- (d) Show the appropriate extracts from Statement of Financial Position for each of the years as at 31 December 2016, 2017, 2018 and 2019. (6 marks)

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

John Peter has a small business with three departments: Assembly, Packing and Stores.

The following budgeted information is provided:

Department	Total	Stores	Assembly	Packing
Indirect labour		RM1,801	RM3,259	RM4,380
Rent	RM1,800			
Machine Depreciation	RM480			
Heat and light	RM180			
Machine insurance	RM360			
Power	RM1,000			
Personnel and administration	RM2,700			
Area (square metres)		2,000	16,000	22,000

Value of machinery			RM24,000	RM16,000
Power used (kilowatt hours)			310,000	190,000
Number of employees		6	262	332
Number of stores requisitions			500	465
Direct labour hours			18,400	17,200

Required:

- (a) Prepare an overhead analysis sheet for the forthcoming period, showing clearly the bases of apportionment used. (20 marks)
- (b) Define the terms overhead allocation and overhead apportionment. (5 marks)

(Total: 25 marks)

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

Question 5

- (a) Describe any **THREE (3)** differences between financial accounting and cost accounting. (6 marks)
- (b) Explain the following costing terms. Give an example for each term:
- (i) Fixed costs
 - (ii) Variable costs
 - (iii) Sunk costs
 - (iv) Opportunity costs
 - (v) Prime costs

(15 marks)

- (c) Differentiate between expired cost and unexpired cost, with examples. (4 marks)

(Total: 25 marks)

Question 6

- (a) Define and explain the following accounting concepts/ principles supported with suitable examples.
- (i) Business entity (3 marks)
 - (ii) Objectivity (3 marks)
 - (iii) Accrual concept (3 marks)
 - (iv) Going concern (4 marks)
- (b) Briefly discuss **THREE (3)** types of ledgers. (6 marks)
- (c) Differentiate cash discounts with trade discounts, with examples. (6 marks)
- (Total: 25 marks)**

-THE END-

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