



**INTI**  
International College Subang  
LAUREATE INTERNATIONAL UNIVERSITIES'

**FINAL**  
Examination Paper

(COVER PAGE)

Session : April 2014

Programme : Diploma in Business

Course : ACC1102 : Business Accounting

Date of Examination : July 22, 2014

Time : 5:00pm – 7:00pm Reading Time : \_\_\_\_\_

Duration : 2 Hours

**Special Instructions :**

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

Materials permitted : Non-Programmable Calculator

Materials provided : Nil

Examiner(s) : Ms. Dg Siti Aisyah, Jessie Lee Pei Yee, Liew Wenn Hing.

Moderator : Dr. Chee Hong kok

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

## INTI INTERNATIONAL COLLEGE SUBANG

## DIPLOMA IN BUSINESS (DIB)

ACC1102: BUSINESS ACCOUNTING  
FINAL EXAMINATION: APRIL 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 Trial Balance was extracted from the books of Twoheart Trading as at 31 December 2013:

Trial Balance as at 31 December 2013		
	Debit	Credit
	RM	RM
Sales		360,000
Purchases	185,000	
Capital		329,280
Accounts payable		47,000
Accounts receivable	58,000	
Inventory at 1 January 2013	80,000	
Cash at bank	175,000	
Motor vehicles	140,400	
Accumulated depreciation: Motor Vehicles		21,060
Equipment	87,000	
Accumulated depreciation: Equipment		17,400
Commission received		20,000
Discounts		9,200
Insurance expenses	8,600	
Salaries and wages	36,000	
Carriage outwards	1,500	
Carriage inwards	1,300	
Drawings	25,000	
Electricity	2,300	
Returns inwards	12,000	
Returns outwards		8,400
Bad debts	10,600	
Allowance for doubtful debts		10,360
	822,700	822,700

The following information is available as at 31 December 2013:

- (i) Inventory as at 31 December 2013 amounted to RM52,000.
- (ii) Insurance expenses amounts includes RM1,600 which is for January 2014.
- (iii) At 31 December 2013 there is salaries and wages unpaid amounted to RM2,400.
- (iv) As 31 December 2013 there is commission owed to Twoheart Trading amounted to RM 3,300.
- (v) The owners has decided to write off an additional bad debts of RM1,250 that has been outstanding for more than 10 months.
- (vi) The allowance for doubtful debts is to be adjusted to 16% of the year-end accounts receivables.
- (vii) Depreciate motor vehicles at 15% per annum using reducing balance method.
- (viii) Depreciated equipment at 10% per annum using straight line method.

**REQUIRED:**

- (a) Prepare the Income Statement for the year ended 31 December 2013. (13 marks)
- (b) Prepare the Statement of Financial Position (Balance Sheet) as at 31 December 2013. (12 marks)

**QUESTION 2**

- (a) Jelita Berhad started business on 1 January 2011 and its financial year end is 31 December each year. A table of account receivables, bad debts, and allowance for doubtful debts for the first three accounting years is given:

Years	2011	2012	2013
Bad debts written off	RM4,000	RM5,000	RM8,000
Accounts receivables (after writing off bad debts)	RM80,000	RM70,000	RM50,000
Allowance for doubtful debts	3%	4%	5%

**REQUIRED:**

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

- (i) Bad debts (3 marks)
- (ii) Allowance for doubtful debts (9 marks)

- (b) On 1 January 2011, Hang Jebat Trading bought a machine for RM95,200 on credit from Puteri Ledang Trading. The machine was depreciated by 10% per annum using the straight line method. On 10 January 2013, the machine was sold for RM55,500 cash. Ignore depreciation in the year of sale.

**REQUIRED:**

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

- (i) Machine Account (3 marks)  
 (ii) Accumulated Provision for Depreciation – Machine Account (5 marks)  
 (iii) Machine Disposal Account (5 marks)

**QUESTION 3**

- (a) The following information relates to Megawave Berhad for the year ended 31 December 2013.

Item	As at 1 January 2013		As at 31 December 2013		Amount paid / received
Electricity	Prepaid	RM 800	Accrued	RM 600	RM 1000
Commission received	Prepaid	RM 1,200	Prepaid	RM 1,200	RM 2,000

(All payments were made by cheque)

**REQUIRED:**

Prepare the ledger accounts, showing the transfer to the income statement and the balances carried down to the next accounting period for each item above.

(10 marks)

- (b) Shark Sdn. Bhd. is a manufacturing company that produces Product X. Below is the information relates to the selling price and budgeted costs of the product.

	RM
Selling Price	150 per unit
Direct materials	35 per unit
Direct labour	28 per unit
Variable overheads: Production	15 per unit
Selling	10 per unit
Fixed overheads: Selling	10,100
Administration	24,000

**REQUIRED:**

- (i) Calculate the break-even point in units and in value. (6 marks)  
 (ii) Calculate the profit or loss, if 840 units are sold: (3 marks)

- (iii) Calculate the number of units to be sold if the target profit is RM40,300. (3 marks)
- (iv) Calculate the new break-even point in unit if the management decide to increase direct labour cost by 20% and to increase administration expenses by RM8,200. (3 marks)

**QUESTION 4:**

Josh Bhd has two production departments, X and Y, and two service departments, Stores and General Services.

The company has budgeted the following costs for the forthcoming period:

Maintenance	RM100,000
Depreciation of equipment	58,000
Plant insurance	58,000
Heat and light	75,000
Canteen costs	24,000
Rent	50,000
Supervision	120,000

The following information is also available:

	X	Y	Stores	General
Floor area (sq.metre)	10,000	10,000	2,500	2,500
Employees	40	20	10	10
Plant book value (RM)	100,000	100,000	40,000	50,000
Depreciation of equipment per annum	25%	15%	20%	20%
Direct material usage (RM)	200,000	300,000		

**REQUIRED:**

Prepare an overhead analysis statement showing the allocation and apportionment of overheads to all departments.

(25 marks)

**SECTION B:** Answer any **ONE (1)** question.

**QUESTION 5:**

- (a) Define accounting. (1 mark)
- (b) Compare the differences between the following classes of accounts. Use examples to illustrate your answer.  
(i) Capital and Drawings.  
(ii) Non-Current Assets and Current Assets  
(iii) Non-Current Liabilities and Current Liabilities (12 marks)
- (c) Describe the following accounting concepts and provide appropriate examples:  
i) Prudence Concept  
ii) Materiality Concept  
iii) Economic Entity Concept (12 marks)

**QUESTION 6:**

- (a) Describe any **THREE (3)** differences between Financial Accounting and Costing Accounting. (6 marks)
- (b) Compare the differences:  
(i) Fixed costs and variable costs  
(ii) Prime costs and conversion costs  
(iii) Product costs and period costs. (15 marks)
- (c) Write short notes on "Cost Centre." (4 marks)

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