



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

**FINAL**  
Examination Paper

(COVER PAGE)

Session : April 2015

Programme : Diploma in Business/Finance/Entrepreneurship  
(DIB/DIF/DENT)

Course : ACC1102 : Business Accounting

Date of Examination : August 7, 2015

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.

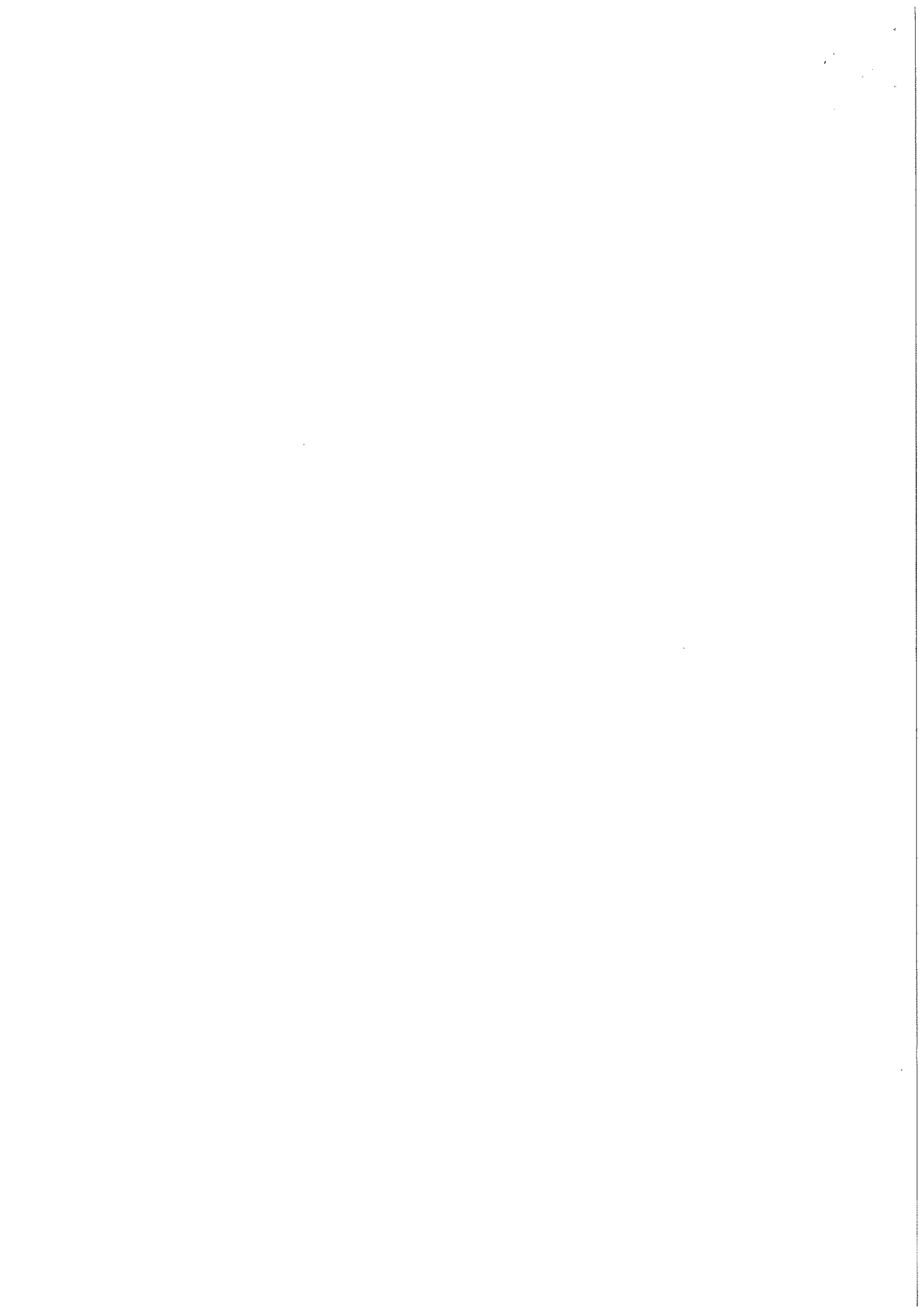
Materials permitted : Non-Programmable Calculator

Materials provided : Nil

Examiner(s) : Mr. Cheah Kong Yong, Remeo Dass, Kenny Quah Wei Jie,  
Ong Jia Lih, Doris Koh.

Moderator : Dr. Chee Hong Kok

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



## INTI INTERNATIONAL COLLEGE SUBANG

## DIPLOMA IN BUSINESS/FINANCE/ENTREPRENEURSHIP (DIB/DIF/DENT)

## ACC1102: BUSINESS ACCOUNTING

## FINAL EXAMINATION: APRIL 2015 SESSION

**SECTION A:** Answer any **THREE (3)** out of **FOUR (4)** questions. (75 marks)

**Question 1**

Paul Tsonga, a sole trader, listed the following balances from his ledger as at 31 December 2014:

	RM
Purchases	358,000
Capital at 1 January 2014	151,420
Accounts receivable	32,120
Cash in hand	2,260
Accounts payable	66,090
Short term loan	59,050
Returns inwards	3,800
Furniture at cost	26,200
Discounts allowed	415
Discounts received	260
Inventory at 1 January 2014	34,940
Sales	643,233
Van at cost	185,730
Heating and lighting	3,540
Motor expense	4,980
Rent	120,000
General expenses	480
Bank (debit)	127,800
Returns outwards	1,210
Accumulated depreciation -	
- Furniture	3,200
- Van	11,292
Drawings	35,400

The following information as at 31 December 2014 is also available:

1. RM2,650 is owing for motor expenses; RM5,000 was prepaid for rent.
2. Depreciation is to be provided for the year as follows:
  - Van – 25% on cost
  - Furniture – 30% using reducing balance method.
4. Inventory at 31 December was RM14,400.

**Required:**

- (i) Prepare the Paul Tsonga's income statement for the year ended 31 December 2014 and (13 marks)
  - (ii) a Statement of Financial Position at that date. (12 marks)
- (Total= 25 marks)**



## Question 2

- (a) DIB Trading, offers generous credit terms to its customers. The following information shows its Accounts Receivable, Bad Debts and Allowance for Doubtful Debts for the last three accounting years:

Year	2012	2013	2014
Bad debts written off (before allowing for bad debts)	RM10,000	RM25,000	RM15,000
Accounts receivable (after writing off bad debts)	RM250,000	RM300,000	RM230,000
Allowance for Doubtful Debts	5%	6%	5%

You are required to show the following accounts for the years ending 31 December 2012, 2013, and 2014:

- (i) Bad debts (5 marks)
- (ii) Allowance for doubtful debts (9 marks)
- (b) A business ends its financial year on 31 December and purchases a machine for RM50,000, paying by cheque on 1 January 2012. The machine was to be depreciated by 10% per annum using the reducing balance method. On 4 January 2014 the machine was sold for RM37,600 cash. There is **NO** depreciation in the year of sale,

Required: show the relevant entries for each of the following accounts for the year ended 31 December 2014:

- (i) Machinery (2 marks)
- (ii) Accumulated Depreciation – Machinery (4 marks)
- (iii) Machinery Disposals (5 marks)

(Total: 25 marks)



**3Question 3**

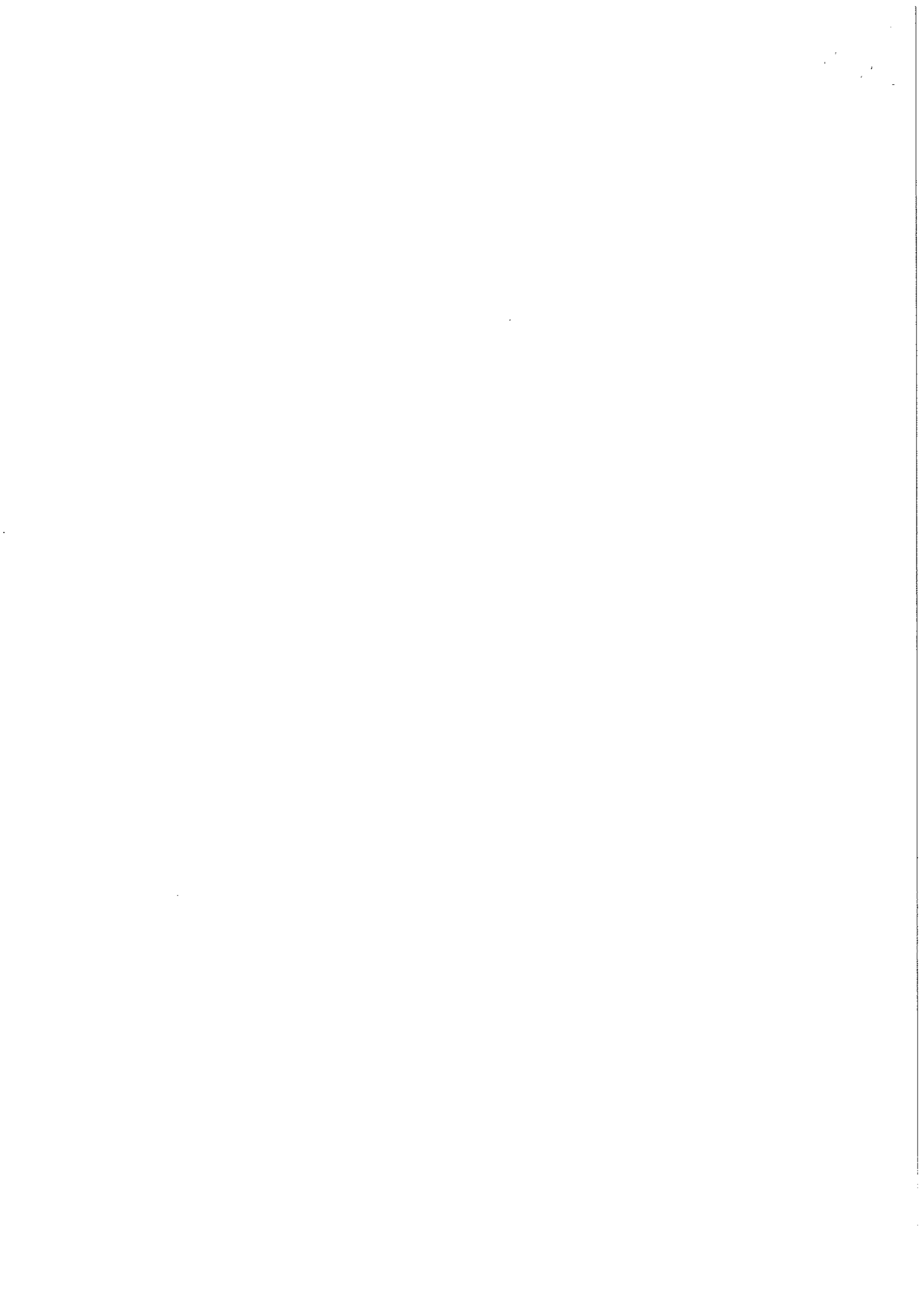
- (a) The following trial balance has been extracted from Paul Seal at 30 June 2014:

Trial Balance as at 30 June 2014		
	Dr RM	Cr RM
Salaries and wages		176,200
Rent received	117,000	
Purchases		125,420
Sales	236,490	
Returns outwards	5,712	
Returns inwards		8,288
Carriage outward	2,560	
Discounts allowed		14,460
Discounts received		880
Accounts receivable	32,836	
Accounts payable	23,600	
Cash in hand	2,160	
Bank overdraft	5,870	
Capital		60,400
Drawings		48,200
Allowance for doubtful debts	1,260	
Display equipment	20,640	
Motor vehicles		14,200
Motor vehicle expenses	2,490	
Rent and rates		20,598

Required:

Prepare the corrected Trial Balance as at 30 June 2014.

(13 marks)



(b) Table Tennis is sold for RM4,000 each. The product costs include:

Fixed costs RM120,000

Variable costs per unit RM1,500

**Required:**

- (i) Calculate the break-even point in units. (3 marks)
- (ii) Calculate the number of units sold to breakeven if fixed cost is increased by RM50,000. (3 marks)
- (iii) Calculate the profit when 100 units are sold. (3 marks)
- (iv) Calculate the break-even point (in sales value) if the fixed cost increases to RM154,000 and variable cost increased by RM500. (3 marks)

**(Total: 25 marks)**



**Question 4**

Harper Bhd. is a manufacturing company with three production departments: Assembly, Painting, and Packing and two service departments: Stores and Maintenance.

For the forthcoming period, the total budgeted overhead costs are as follows:

Allocated costs:

Department	Indirect materials	Indirect labor
Assembly	RM13,000	RM10,000
Painting	11,000	5,000
Packing	9,000	4,000
Stores	4,000	6,000
Maintenance	3,000	5,000

The following details were obtained from the accounts relating to the period:

Heating and lighting	RM18,000
Rent and rates	20,000
Plant insurance	14,000
Canteen	7,200

The following information is also available:

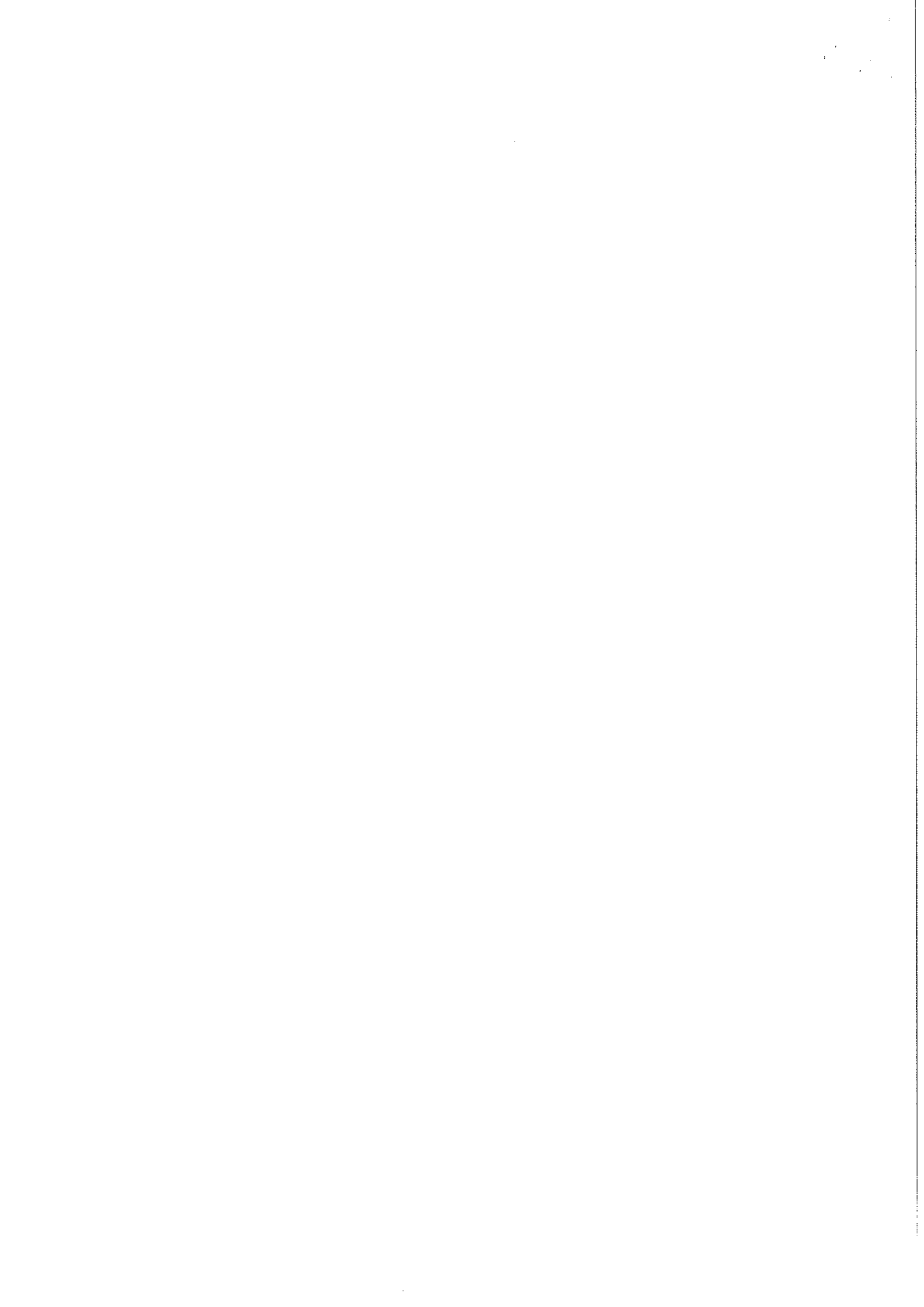
Department	Assembly	Painting	Packing	Stores	Maintenance
Number of Employees	60	50	40	20	10
Machine hours	10,000	12,000	10,000		
Direct labour hours	5,000	6,000	7,000		
Area (square metres)	7,500	6,000	4,500	3,000	3,000
Plant's values (RM)	50,000	60,000	50,000	300,000	20,000
Material requisitions	1,000	800	900		

Harper Ltd. absorbs its overhead using Machine hour rates for Assembly and Painting departments, and a Direct Labour hour rate for Packing department.

**Required:**

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

(Total 25 marks)



**SECTION B:** Answer any **ONE (1)** essay question. (25 marks)

**Question 5**

- (a) Describe the **THREE (3)** differences between Financial Accounting and Management Accounting?

(6 marks)

- (b) Explain the behavior of these costs in response to changes in a firm's level of activity and draw a simple graph to illustrate your explanation.

- |                          |           |
|--------------------------|-----------|
| (i) Fixed cost           | (3 marks) |
| (ii) Variable cost       | (3 marks) |
| (iii) Semi-variable cost | (3 marks) |
| (iv) Stepped fixed cost  | (3 marks) |

- (c) Describe the terms: Period cost and Product cost. Give three examples for each.

(7 marks)

**(Total = 25 marks)**

**Question 6**

- (a) Explain following concept:

- |                              |           |
|------------------------------|-----------|
| (i) Going concern concept    | (3 marks) |
| (ii) Accrual concept         | (3 marks) |
| (iii) Consistency concept    | (3 marks) |
| (iv) Prudence concept        | (3 marks) |
| (v) Business entity concept  | (3 marks) |
| (vi) Historical cost concept | (3 marks) |

- (b) Describe the differences between direct and indirect costs.  
Provide appropriate examples.

(7 marks)

**(Total: 25 marks)**

**-The End-**

