

FINAL
Examination Paper

(COVER PAGE)

Session : April 2016

Programme : Diploma In Business (DIB)

Course : **ACC1112: Financial Accounting**

Date of Examination : 23 July, 2016 (Saturday)

Time : 2:00pm – 4:00pm Reading Time : Nil

Duration : 2 Hours

Special Instructions :

SECTION A: Answer any **THREE (3)** questions.

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

Materials permitted : Non-Programmable Calculator

Materials provided : Nil

Examiner(s) : **Doris Koh Pin Pin, Liew Wenn Hing, Tirukumar Thiagarajah**

Moderator : Grace Morris

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

DIPLOMA IN BUSINESS (DIB)
ACC1112: FINANCIAL ACCOUNTING
FINAL EXAMINATION: APRIL 2016 SESSION

Instruction: This paper consists of **TWO (2) SECTIONS**. Answer **THREE (3)** questions in **SECTION A** and **ONE (1)** question in **SECTION B**. All questions carry equal marks.

SECTION A: Answer any **THREE (3)** questions in the answer booklet provided. **(75 marks)**

Question 1

The following is the trial balance of Setia Bersatu as at 30 June 2015.

	Debit(RM)	Credit(RM)
Land	100,000	
Buildings at cost	100,000	
Machinery at cost	80,000	
Provision for depreciation (1 July 2014):		
Buildings		70,000
Machinery		15,200
Purchases and Sales	85,000	150,000
Discounts		7,000
Stock as at 1 July 2014	25,000	
Capital		42,400
Drawings	2,000	
Bank overdraft		15,000
Cash in hand	200	
Provision for bad debts		1,200
Debtors and Creditors	18,000	49,000
Carriage inwards	2,000	
Returns	2,000	
Salaries	4,000	
Bad debts	2,000	
Rent	4,600	
Bank loan		75,000
	424,800	424,800

The following information as at 30 June 2015:

- (a) Salaries are accrued by RM3,500.
- (b) One of the debtors had passed away and the company decided to write off his debts of RM2,000.
- (c) Stock as at 30 June 2015 had been valued at RM8,000.
- (d) Provision for bad debts should be adjusted to 5% of the closing debtors balances.

(e) Depreciation for the year ended 30 June 2012 should be provided as follows:

Buildings	10% on cost
Machinery	10% on reducing balance

Required:

Prepare Setia Bersatu's Income Statement for the year ended 30 June 2015 and Statement of financial position as at that date.

(25 marks)

Question 2

The followings details are the business transactions of Elise Enterprise for the month of June 2016.

June	
1	Started business with RM1,000 in the bank.
2	Bought goods on credit from: Kee RM76, Mei Lin RM27, and Indra RM56.
5	Cash sales RM87.
6	Paid wages in cash RM14.
7	Sold goods on credit to: Hilly RM35, Jack RM42, Clinton RM72.
9	Bought goods for cash RM46
10	Bought goods on credit from: Mei Lin RM57, & Indra RM98.
12	Paid wages in cash RM14.
13	Sold goods on credit to: Jack RM32, Clinton RM23.
15	Bought furniture from Stella-design RM50 with credit.
17	Paid Mei Lin RM84 by cheque.
18	We returned goods to Indra RM20.
21	Paid Stella design a cheque for RM50.
24	Clinton paid us a cheque for RM95.
27	We returned goods to Kee RM24.
30	Josephine lent us RM60 by cash.
30	Bought a motor van paying by cheque RM400.

Required:

(a) Record the transactions in the ledger books of Elise Enterprise. (17.5marks)

(b) Prepare the trial balance as at 30 June 2016. (7.5 marks)

(Total: 25 marks)

Question 3

	31 December 2013	31 December 2014	31 December 2015
Bad Debts	RM 3,000	RM 4,500	RM 8,000
Accounts receivable (before bad debts)	RM 70,000	RM 100,000	RM 90,000

If the firm's allowance for doubtful debts is at a rate of 5% of the total account receivable balance, calculate:

- (a) The allowance for doubtful debts for 2013, 2014 and 2015. (3 marks)
- (b) The comparison of the year to year provision and state whether there is an increase or decrease in allowance for doubtful. (1 mark)
- (c) How are bad debts and allowance for doubtful debts being recorded in statements of profit and Loss Account? Show the extracts for the three years as mentioned above. (9 marks)
- (d) Show the statement of financial position (extracts) as at the end of each year. (12 marks)
- (Total: 25 marks)**

Question 4

- (a) Mariam Ltd bought machineries at RM50,200 and office equipment at RM33,000 on 1 June 2012. These assets were charged depreciation using straight line method on monthly basis. The scrap values were estimated at RM24,200 and RM20,800 respectively. The useful life of both assets was estimated as 5 years.

On 31 December 2014, the management decided to dispose both assets and the disposal values are RM44,800 and RM28,600 respectively.

Required:

Calculate the profit or loss on disposal of

- (i) the machines
(j) the office equipment

(16 marks)

- (b) Fill in the missing figures:
Asset: Machinery

Date	Descriptions	Amount (RM)
1/1/11	Cost	88,185
31/12/11	(-) Depreciation	(i) ?
	Net Book Value (NBV)	85,542
31/12/12	(-) Depreciation	(2,566)
	Net Book Value (NBV)	(ii) ?
31/12/13	(-) Depreciation	(2,489)
	Net Book Value (NBV)	(iii) ?
31/12/14	(-) Depreciation	(iv) ?
	Net Book Value (NBV)	78,073

(9 marks)

(Total: 25 marks)

SECTION B: Answer any ONE (1) question in the answer booklet provided. (25 marks)

Question 5

- (a) Identify **FIVE (5)** external users of accounting information and their primary interest. (10 marks)
- (b) Explain the following accounting term:
- (i) Owner's Equity
 - (ii) Non-current assets
 - (iii) Current Liabilities
 - (iv) Trial Balance (12 marks)
- (c) Differentiate between 'Accounting' and 'Book-keeping'. (3 marks)

(Total: 25 marks)

Question 6

- (a) Explain the following accounting concept:
- (i) Business entity concept (3 marks)
 - (ii) Historical cost concept (3 marks)
 - (iii) Conservatism concept (3 marks)
 - (iv) Going concern concept (3 marks)
- (b) Explain the terms "capital expenditure" and "revenue expenditure". (Provide an example each) (8 marks)

(c) State which of the following are of capital or revenue expenditure:

- (i) Purchase of a new truck
- (ii) Cost of building escalator in the buildings
- (iii) Building extension to the warehouse
- (iv) Fire insurance premium for the warehouse
- (v) Cost of purchasing raw materials

(5 marks)

(Total: 25 marks)

~ The End ~
acc1112(f)/april2016

