

FINAL ALTERNATIF ASSESSMENT

Examination Paper

(COVER PAGE)

Session : August 2020

Programme : Diploma In Business (DIB)
Diploma In Finance (DIF)
Diploma In Marketing (DMKT)
Diploma In Entrepreneurship (DENT)
Diploma In E-Commerce (DEC)

Course : ACC1112: Financial Accounting

Date of Examination : December 12, 2020 (Saturday)

Time : 8.00am – 10.30am Reading Time : Nil

Duration : 2 Hours : 30 Minutes

Note: 30 minutes is added into the duration of the examination to factor in any connectivity matters and for you to scan and upload your scripts.

Special Instructions :

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

SECTION B: Answer **ALL** questions.

Materials permitted : Non-Programmable Calculator

Materials provided : Nil

Examiner(s) : Liew Wenn Hing, Jessie Lee, Catherine Wong, and Kantaruban Rangunathan

Moderator : Cheah Kong Yong

This paper consists of 5 printed pages, including the cover page

DIPLOMA IN BUSINESS PROGRAMME (DIB)
 DIPLOMA IN FINANCE PROGRAMME (DIF)
 DIPLOMA IN MARKETING PROGRAMME (DMKT)
 DIPLOMA IN ENTREPRENEURSHIP PROGRAMME (DENT)
 DIPLOMA IN E-COMMERCE PROGRAMME (DEC)

ACC1112: FINANCIAL ACCOUNTING
 FINAL ALTERNATIVE ASSESSMENT: AUGUST 2020 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 all **THREE (3)** questions. **(75 marks)**

Question 1

Brandroot was in business as a retailer and the following balances were extracted from his books on 31 August 2020:

	RM
Capital, 1 September 2019	15,000
Drawings	2,500
Motor vehicles	4,000
Fixtures and Fittings	3,000
Carriage Inwards	500
Trade Receivable	8,292
Trade Payable	4,000
Bad Debts written off	300
Inventory, 1 September 2019	2,300
Purchases	25,000
Sales	47,700
Returns Outwards	500
Accumulated Depreciation of Motor vehicles	800
Accumulated Depreciation of Fixtures and Fittings	450
Carriage outwards	400
Discount Received	700
Wages and Salaries	7,000
Allowance for Doubtful Debts	300
Light and Heat	850
Insurance	308
Cash in hand	300
Bank	14,700

Additional information:

1. Inventory as at 31 August 2020 was valued at RM4,000.
2. Brandroot had taken goods from inventory to the value of RM200 for his own use and no entries had been made in the books.
3. Decrease the allowance for doubtful debts by RM50 to RM250.
4. Of the RM308 for insurance, RM154 is a payment in advance.
5. It was estimated that a further RM30 was owing for lighting.
6. Depreciation is to be made for:
 - Motor vehicles at 20% per annum using reducing balance method
 - Fixtures and Fittings at 15% per annum using straight line method

Required:

- (a) Prepare the statement of profit or loss for Brandroot for the year ended 31 August 2020. (15 marks)
 - (b) Prepare a statement of financial position for Brandroot as at 31 August 2020 (10 marks)
- (Total 25 marks)**

Question 2

Dev Enterprise has the following balances from the trial balance on 30th June each year.

	2017 RM	2018 RM	2019 RM	2020 RM
Accounts Receivables (After deducting bad debts)	20,000	25,000	45,000	50,000
Bad debts	600	500	700	400
Allowance for doubtful debts %	5%	5%	5%	5%

Additional Information:

On 30th June 2020, a recovery of bad debts amounting to RM500 was made in respect of debts written off in 2018.

Required:

Show extracts from the following accounts for each of the years:

- (a) Bad debts (4 marks)
 - (b) Allowances for doubtful debts (8 marks)
 - (c) Bad debts recovered (2 marks)
 - (d) Statement of profit or loss (extract) (5 marks)
 - (e) Statement of financial position (extract) (6 marks)
- (Total 25 marks)**

Question 3

- (a) W E Carryit set up in business as a haulage contractor on 1 January 2018. He decides to maintain his vehicle account at cost and to keep a separate accumulated depreciation account. Vehicles are to be depreciated by 25% per annum using the reducing balance method. Depreciation is to be calculated on assets in existence at the end of each year, a full year's depreciation being charged in the year of purchase.

1 November 2018 Bought lorry costing RM120,000, paying by cheque.
 6 December 2019 Bought lorry costing RM180,000, paying by cheque.

Required:

Show extracts of the following for years ended 31 December 2018 and 2019:

- (i) Statement of profit or loss (extract) (6 marks)
- (ii) The non-current assets section of the statement of financial position (9 marks)
- (b) The following are extracts of the Statements of Financial Position of W Woods, a retailer, on 31 December 2018 and 2019 respectively:

Statements of Financial Position as at 31 December...		
	2018	2019
	RM	RM
<u>Assets</u>		
Prepaid insurance	12,500	14,000
Accrued rent received	-	16,000

During the year 2019, the Cash Book recorded payment of RM18,000 for insurance and receipt of RM72,000 for rent received by cheques:

Required:

Show the relevant extracts of the following for the year of 2019:

- (iii) Statement of profit or loss (extract) (4 marks)
- (iv) Statement of financial position (extract) (6 marks)

(Total 25 marks)

SECTION B: Answer the **ONE (1)** question. **(25 marks)****Question 4**

- (a) Name the source document which a business would use to record the following:

	Document
(i) Sold goods on credit to Kalgi	
(ii) Kalgi returned goods	
(iii) Sent a statement of transactions and amount details to Kalgi	
(iv) Purchased goods on credit from Gini	
(v) Returned goods to Gini	

(10 marks)

- (b) Raj, an electronic goods dealer, gifted a microwave of value RM300 to his friend Rohan and recorded it in books as drawing. Is he correct? Briefly explain your answer. (3 marks)
- (c) What is the difference between **trade discount** and **discount received**? (5 marks)
- (d) What are the effects of returns inwards and carriage outwards on the profit of a business? (4 marks)
- (e) Briefly explain **ONE (1)** motive of a business sells goods on credit to its customers. (3 marks)

(Total 25 marks)

~ The End ~

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