

**FINAL ALTERNATIVE ASSESSMENT**

Examination Paper

(COVER PAGE)

Session : April 2021

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

Course : ACC1112: Financial Accounting

Date of Examination : July 27, 2021 (Tuesday)

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 :**

This paper consists of **TWO (2)** sections. Answer **ALL** questions in Section A and Section B.

Materials permitted : Non-programmable calculator

Materials provided : NIL

Examiner(s) : Kantaruban Ragnathan, Liew Wenn Hing, Christine Gan Kher  
Sing and Catherine Wong

Moderator : Cheah Kong Yong

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

## INTI INTERNATIONAL UNIVERSITY &amp; COLLEGES

DIPLOMA IN BUSINESS PROGRAMME (DIB)

DIPLOMA IN FINANCE (DIF/DFIN)

DIPLOMA IN MARKETING (DMKT)

DIPLOMA IN E-COMMERCE (DEC)

DIPLOMA IN ENTREPRENEURSHIP (DENT)

ACC1112: FINANCIAL ACCOUNTING

FINAL ALTERNATIVE ASSESSMENT: APRIL 2021 SESSION

**Instruction:** This paper consists of **TWO (2)** sections. Answer **ALL** questions in Section A and Section B.

**Section A (75 marks)**

**Instruction:** This section consists of **THREE (3)** question. Answer **ALL** questions.

**Question 1**

- (a) Bing Sdn Bhd has the following balances on its accounts in respect of machinery and its depreciation:

31 December 2017: Machinery RM21,000, Accumulated Depreciation of machinery RM5,250.

The firm then makes the following purchases of machinery by cheque:

|      |        |          |
|------|--------|----------|
| 2018 | Jan 1  | RM10,000 |
| 2018 | Jun 30 | RM12,000 |
| 2019 | Mar 31 | RM16,000 |
| 2020 | Sep 30 | RM20,000 |

Machinery is depreciated using straight line at a rate of 25% on cost and is provided on a yearly basis.

**Required:**

- (i) Machinery account for the years ended 31 December 2018 to 2020. (8 marks)
- (ii) Accumulated depreciation of machinery account for the years ended 31 December 2018 to 2020. (7 marks)

- (b) Explain with example the following depreciation methods.
- (i) Straight Line Method (5 marks)
- (ii) Reducing Balance Method (5 marks)
- (TOTAL = 25 marks)**

### Question 2

- (a) The following details relate to the rent received for the year ended 31 December 2020. The business lets two properties (A and B) to two other businesses.
- (i) Rent received in advance as at 1 Jan 2020 in respect of property A RM130.
- (ii) Rent received still owing as at 1 Jan 2020 in respect of property B RM240.
- (iii) Rent received by cheque on 23 Jan in respect of property A RM780.
- (iv) Rent received by cheque on 12 Mar in respect of property B RM1,430.
- (v) Rent received by cheque on 15 Jun RM2,810 in respect of property A.
- (vi) Rent received by cheque on 30 Sep RM4,520 in respect of property B.
- (vii) Rent received by cheque on 28 Nov in respect of property A RM1,575.
- (viii) Rent received still owing in respect of property A as at 31 Dec 2020 RM382.
- (ix) Rent received in advance in respect of property B as at 31 Dec 2020 RM76.

#### Required:

Construct the ledger amount for rent received for the year ending 31 December 2020. When constructing the account, show all opening and closing balances individually.

(13 marks)

- (b) The following data relates to the accounts of Link for the year ended 31 December 2020.

Calculate the amounts to be deducted from or added to the year's gross profit.

| Amounts paid and received | RM    |
|---------------------------|-------|
| Salaries                  | 5,600 |
| Rent received             | 2,750 |
| Motor expenses            | 843   |

#### Additional information:

##### As at 31 Dec 2019

Salaries Balance owing RM439  
 Rent received Balance owing RM117  
 Motor expenses Balance prepaid RM42

##### As at 31 Dec 2020

Balance prepaid RM280  
 Balance owing RM265  
 Balance prepaid RM55

(12 marks)

**(TOTAL = 25 marks)**

**Question 3**

Given below are the trial balance and relevant notes of Michelle as at 30 April 2021.

|                                   | <b>Debit<br/>RM'000</b> | <b>Credit<br/>RM'000</b> |
|-----------------------------------|-------------------------|--------------------------|
| Fittings at cost                  | 800                     |                          |
| Vehicles at cost                  | 400                     |                          |
| Inventory 1 May 2020              | 320                     |                          |
| Purchases and Sales               | 1,370                   | 2,104                    |
| Rent and insurance                | 56                      |                          |
| Sales commission                  | 46                      |                          |
| Selling and distribution expenses | 86                      |                          |
| Trade receivables and payables    | 350                     | 258                      |
| Cash at bank                      | 98                      |                          |
| Salaries                          | 90                      |                          |
| Accounting fees                   | 14                      |                          |
| Discount allowed                  | 50                      |                          |
| Drawings                          | 12                      |                          |
| Accumulated depreciation:         |                         |                          |
| - Fittings                        |                         | 250                      |
| - Vehicles                        |                         | 80                       |
| Capital as at 1 May 2020          |                         | 1000                     |
|                                   | <b>3,692</b>            | <b>3,692</b>             |

**Additional information:**

- (a) Cost of unsold inventory as at 30 April 2021 was RM350,000.
- (b) Prepaid insurance was RM7,000 and accrued selling expenses were RM12,000.
- (c) Bad debts of RM10,000 has not been accounted for.
- (d) Depreciation charges on:
  - (i) fittings: 10% on cost
  - (ii) vehicles: 20% on carrying value

**Required:**

- (a) Prepare the Statement of Comprehensive Income for the year ended 30 April 2021.  
(14 marks)
- (b) Prepare the Statement of Financial Position as at 30 April 2021.  
(11 marks)

**(TOTAL = 25 marks)**

**Section B (25 marks)****Instruction:** Answer **ALL** questions.**Question 1**

Aziz Enterprise decides to create a provision for doubtful debts equivalent to 4% of debtors at the year-end. The Bad debts and debtors figure for the years ended 31 December are as follows:

| <b>Year</b> | <b>Bad Debts</b> | <b>Debtors (After Bad Debts<br/>Written Off)</b> |
|-------------|------------------|--|
| 2017        | RM1,200          | RM12,500   |
| 2018        | RM490            | RM9,800  |
| 2019        | RM1,120          | RM11,650   |
| 2020        | RM980            | RM13,400   |

Debt amounting to RM1,530 proved bad and were written off in 2016, was received in full on 30 March 2019.

**Required:**

- (a) Show the provision for doubtful debts account for the years 2017–2020. (12 marks)
- (b) Prepare the Bad Debts account for years 2017–2020 (8 marks)
- (c) Explain the term “Bad Debts” and provide **TWO (2)** reasons that may cause it. (5 marks)

**(TOTAL = 25 marks)****~THE END~***ACC1112 (F)/ April 2021 Session/ formatted*