



**KOLEJ YAYASAN PELAJARAN JOHOR
ONLINE FINAL EXAMINATION**

COURSE NAME : FINANCIAL ACCOUNTING AND REPORTING 1
COURSE CODE : DAC1013
EXAMINATION : DECEMBER 2021
DURATION : 3 HOURS

INSTRUCTION TO CANDIDATES

1. This examination paper consists of **TWO (2)** parts: PART A (10 Marks)
PART B (90 Marks)
2. Please refer to the detailed instructions in this question paper.
3. Students are allowed to refer to resources such as lecture notes, books, internet or any other relevant resources.
4. Answer ALL questions in the answer sheet which is A4 size paper (or other paper with the consent of the relevant lecturer).
5. Write your details as follows in the upper left corner for each answer sheet:
 - i. Student Full Name
 - ii. Identification Card (I/C) No.
 - iii. Class Section
 - iv. Course Code
 - v. Course Name
 - vi. Lecturer Name
6. Each answer sheet must have a page number written at the bottom right corner.
7. Answers should be handwritten, neat and clear.

DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO

*This examination paper consists of **14** printed pages including front page*

PART A

This part contains **TEN (10)** questions.

Answer ALL in the Answer Sheet.

1. The following statements about users of accounting information are correct **EXCEPT** _____.
 - A tax authorities are considered as external users
 - B present creditors are considered as external users
 - C the management is considered as an internal user
 - D regulatory authorities are considered as internal users

2. The followings are transactions that follow monetary unit assumption **EXCEPT** a _____.
 - A businessman purchase a machine costing RM8,000 to be used in his business
 - B customer returned goods costing RM280 previously sold to him
 - C business received monthly bank statement from Bank Komuniti
 - D business owner withdraws RM500 from the business bank account to pay his private expenses

3. All the following transactions is a revenue **EXCEPT** _____.
 - A performed services worth RM3,000 on credit to Taufik Enterprise
 - B purchased furniture worth RM6,000 and goods amounting to RM3,000 by cash
 - C received dividends and interests amounting to RM7,000 and RM4,000 respectively
 - D sold RM9,000 worth of goods for cash

4. Owner's equity will decrease when _____.
 - i. the business obtains net profit
 - ii. the business incurs net loss
 - iii. there is an additional capital from the owner
 - iv. the owner takes business goods for personal use

- A ii only
 - B ii and iv
 - C i, iii and iv
 - D ii, iii and iv
5. _____ is referred to as the book of original entry.
- A Journal
 - B Ledger
 - C Trial balance
 - D Financial statement
6. The following are true about cash discount **EXCEPT** it
- A is received or given for credit purchases or credit sales only.
 - B is usually valid for specific period only.
 - C encourages customers to buy in bulk.
 - E encourages customers to pay promptly.
7. A trial balance will **NOT** balance if _____.
- A a correct journal entry is posted to the debit side and credit side of the trial balance
 - B the purchase of machinery on credit is debited to machinery account and credited to the cash account
 - C RM1,000 cash withdrawn by the owner is debited to drawings account for RM1,000 and credited to cash account for RM100
 - D RM450 payment to a trade payable is debited to accounts payable for RM45 and credited to cash account for RM45
8. Rental expense paid in advance is recorded in the Statement of Financial Position as _____.
- A current asset
 - B current liability
 - C non-current liability
 - D owner's equity

9. _____ is the process of allocating the cost of an asset to expense over its useful life.
- A Accumulated depreciation
 - B Depreciation
 - C Cost
 - D Salvage value
10. Which of the following is **NOT** the purpose of accounting ratio
- A to provide information regarding cost of production.
 - B to provide detailed and rich information about a business.
 - C to provide a better understanding of the performance of a business.
 - D to determine and estimate missing figures so that the financial statement can still be constructed.

[10 MARKS]

PART B

This part contains **FIVE (5)** questions.

Answer ALL questions in the Answering Booklet.

QUESTION 1**A. Scenario 1:**

Amisah started a business of frozen food in Muar, Johor on 1 December 2019. She set up the business named Best Food Enterprise, by depositing RM100,000 cash in the bank. She also brought in a computer, a used motor vehicle and office furniture worth RM2,000, RM15,000 and RM5,000 respectively. On 21 December 2019, she withdrew RM3,000 from the business bank account to pay for her housing loan. Amisah did not record this transaction in the accounting books on the assumption that the RM3,000 was her money.

Scenario 2:

Sri Aman Enterprise, owned and managed by Muhammad Aman, specializes in jewellery since 2010. On 1 January 2020, Sri Aman Enterprise sent promotional brochures to several government offices in Pasir Gudang, Johor. On 4 January 2020, Sri Aman Enterprise sold a wedding ring to Datin Jasmine for RM1,000 on credit and immediately recorded the transaction in the business books. However, Datin Jasmine settled the full amount on 10 January 2020.

Required:

- a. State the accounting concept: that has been
 - i. violated in the scenario 1 and;
 - ii. followed in scenario 2.

(2 marks)
- b. Briefly explain whether you agree with Amisah's assumption (in scenario 1) that the RM3,000 she had withdrawn was her money.

(2 marks)
- c. Explain why the sales of the wedding ring (in scenario 2) needs to be recorded on 4 January 2020 even though the full settlement was made on 10 January 2020.

(2 marks)

B. Saffiya Pharmacy started its operation in 2010. It has served the local community as well as private clinics in Permas Jaya by supplying various medicine, nutritional products and vitamins. The pharmacy uses periodic inventory system to record its inventories.

On 3 April 2020, the owner brought in additional cash and immediately deposited the cash into the business's bank account worth RM50,000. Two days later, the business received an invoice from Pharma Telaga Bhd for 500 bottles of vitamin C worth RM30 per bottle. On 8 April 2020, Puan Ameera, a regular customer, purchased 2 boxes of cocoa collagen amounting to RM200 each. She paid using credit card.

On 11 April 2020, an invoice was issued to Klinik Dr. Laila for 4,000 tablets of Paracetamol. The normal price per tablet is RM0.50. On 18 April 2020, the business received a cheque for full settlement from Klinik Dr. Laila. Two days later, the owner took 6 boxes of slimming tea costing RM120 per box for her personal use. The business issued a cheque of RM1,500 for the payment of shop rental on 25 April 2020.

Required:

State the effects of each of the above transactions on the assets, liabilities and owners equities. Present your answer in the following format:

Date	Asset	=	Liability	+	Owner's Equity					
					Capital	-	Drawing	+	Revenue	-
1/7	Bank +100, 000				Capital +100,0 00					

(12 marks)

QUESTION 2

- A. Nur Sarah started a business selling brooches and *hijabs* in Skudai, Johor on 1 June 2020. She invested RM50,000 into business bank account and brought a computer worth RM2,500 to be used in the business. The followings are other transactions for the month of June 2020.

Date	Transactions
June 3	Purchased 70 units of Blink Brooches amounting RM3,500 on credit from Zafora.com. The credit term offered by Zafora.com. was 5/10 net 30.
5	Purchased 80 units Aini <i>Hijabs</i> from Rizuan Enterprise amounting to RM4,000 paid by cheque.
6	Returned 4 units of Blink Brooches amounting RM200 to Zafora.com. due to the quality defect in the brooches.
10	Sold 4 units of Aini <i>Hijabs</i> to Indah Boutique on credit for RM75 each. The credit term given was 1/5 net 30.
11	Paid Zafora.com Enterprise by cheque to settle the amount owed.
18	Sold 12 units of Blink Brooches to Berseri Boutique on credit for RM100 each. The credit term given was 2/15 net 30.
25	Berseri Boutique settle the amount owed to the business by cheque.
28	Paid salary of RM3,000 by cheque to employees.
30	Owner took 4 units Aini <i>Hijabs</i> for personal use amounting to RM200.

Required:

- a. Prepare three-column accounts for the year ended 30 June 2020.
(15 marks)
- b. Prepare trial balance for the year ended 30 June 2020.
(6 marks)

- B. The trial balance of Arissa Departmental Store prepared by the new bookkeeper as at 30 June 2020 did not balance. Upon inspection by the senior accounts officer, the following errors were discovered:

- i. The purchase of inventory by cash amounting to RM5.000 was not recorded in the purchase account.
- ii. A cheque received from customer worth RM10,000 was totally omitted from the records.
- iii. Purchase of goods from Syarikat Berlian of RM5.000 was credited to the purchases account and debited to Syarikat Berlian account.

Required:

- a. Identify the type of errors made by Arissa Departmental Store as stated above.

(3 marks)

- b. Show the corrections of the above errors either in the ledger or journal.

(4 marks)

QUESTION 3

The following is the trial balance of Kim Teguh Enterprise as at 31 December 2020:

KIM TEGUH ENTERPRISE
Trial Balance as at 31 December 2020

	Debit (RM)	Credit (RM)
Capital		220,000
Office equipment	100,000	
Accumulated depreciation – office equipment		10,000
Motor vehicle	120,000	
Accumulated depreciation – motor vehicle		20,000
Accounts receivable and Accounts payable	35,000	20,000
Purchases and Sales	200,000	350,000
Returns	10,000	14000
Carriage inwards	3,000	

Carriage outwards	6,000	
Telephone and facsimile	15,000	
Salaries and allowances	60000	
Loan from MSBB		80,000
Interest received		30,000
Advertising expenses	26,000	
Insurance	14,000	
Drawings	25,000	
Water and electricity	12,000	
Discounts	2,000	7,000
Entertainment expenses	8,000	
Rental expenses	65,000	
Cash at the bank	50,000	
	751,000	751,000

The following adjustments need to be considered for the preparation of financial statements for the year:

1. Closing inventory as at 31 December 2020 was RM60,000.
2. Water and electricity bill of RM500 for the month of December 2020 was not yet paid.
3. Employees overtime claim of RM3,000 for the month of December 2020 has not been paid as at the financial year-end. The amount was only paid to the employees on 15 January 2021.
4. Insurance was prepaid by RM2,000
5. Rental of RM6,000 for the month of January 2021 was paid on 28 December 2021.
6. The business is required to pay interest at a rate of 12 percent per annum for the loan from MSBB. The principal amount of the loan was received by the business on 1 December 2020.
7. Annual depreciation expenses was provided as follows :
 - i. Office equipment 10% on cost.
 - ii. Motor vehicle 20% on cost.

Required:

1. Prepare the Statement of Profit or Loss for the year ended 31 December 2020 and the Statement of Financial Position as at that date.

(25 marks)

2. Explain the difference between accrued expenses and prepaid expenses.

(4 marks)

QUESTION 4

The following is the statement of financial position of Razin Enterprise as at 31 December 2020.

RAZIN ENTERPRISE

Statement of Financial Position as at 31 December 2020

	RM	RM
Non-Current Assets		28,000
Current Assets		
Inventories	25,000	
Account receivables	18,700	
Cash at bank	11,000	
Prepaid rental	<u>4,300</u>	<u>59,000</u>
		<u>87,000</u>
Financed by:		
Capital		45,000
Add: net profit		15,000
Current Liabilities		
Account payable	22,600	
Accrued salaries and wages	<u>4,400</u>	<u>27,000</u>
		<u>87,000</u>

Additional information:

1. Cash sales and credit sales for the year ended 2020 were RM11,100 and RM48,900 respectively.
2. The gross profit for the respective year was RM45,000.

Required:

Compute the following ratios for Razin Enterprise for the year ended 31 December 2020.

- i. Gross profit ratio
- ii. Net profit ratio
- iii. Current ratio
- iv. Quick ratio

(7 marks)

QUESTION 5

In March 2020, Pn. Mawar, the owner of Mawar Indah Enterprise received the following statement from Sinar Bank.

SINAR Bank				
Johor Bahru, Johor				
Bank Statement for the month of March 2020				
Client:	Mawar Indah Enterprise			
Account no:	010203040505			
Type of account:	Current Account			
Statement date:	31 March 2020			
Date	Particulars	Dr	Cr	Balance
		RM	RM	RM
1/3/2020	Beginning Balance			150,000
3/3/2020	Cheque issued -151231	23,000		127,000
4/3/2020	Cheque issued-151232	5,500		121,500
5/3/2020	Cash deposit		34,000	151,000
9/3/2020	Maubank Assurance - Standing instruction	3,450		153,050
9/3/2020	Service charges	10		152,040
11/3/2020	Cheque deposit		27,200	179,240
13/3/2020	Cheque issued -151234	7,700		171,540
16/3/2020	Liana- Credit transfer		5,500	177,040
18/3/2020	Cheque deposit		13,700	190,740
19/3/2020	Cheque issued -151235	14,100		176,640
19/3/2020	Cheque issued -151233	12,300		164,340
20/3/2020	Rahim Enterprise - Credit transfer		48,400	212,740
23/3/2020	Cheque issued -151236	78,000		134,740

25/3/2020	Cheque issued -151237	16,100		118,640
26/3/2020	Cheque deposit		33,000	151,640
27/3/2020	Cheque deposit		22,000	173,640
31/3/2020	Dividends paid		20.00	173,660

The bank account of Mawar Indah Enterprise showed the following records:

Bank Account				
Date	Particulars	Dr	Cr	Balance
		RM	RM	RM
1/3/2020	Beginning Balance			150,000
2/3/2020	Purchases (151231)		23,000	127,000
2/3/2020	Entertainment expenses (151232)		5,500	121,500
5/3/2020	Cash	34,000		155,500
9/3/2020	Furniture (151233)		12,300	143,200
9/3/2020	Sales		27,200	116,000
10/3/2020	A/c Payable - Soffiyah Enterprise (151234)		7,700	108,300
16/3/2020	Purchases (151235)		14,100	94,200
17/3/2020	Sales	13,700		107,900
18/3/2020	A/c Payable - Samoa Sdn Bhd (151236)		78,000	29,900
20/3/2020	A/c Receivable – Rahim Enterprise	48,400		78,300
23/3/2020	Purchases (151237)		16,100	62,200
24/3/2020	Sales	33,000		95,200
24/3/2020	Purchases (151238)		9,290	85,910
25/3/2020	A/c Receivable - Hasnizam	22,000		107,140
26/3/2020	Repair and maintenance(151239)		770	107,140

30/3/2020	A/c receivable - Hammar Sdn Bhd	11,000		118,140
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Additional information:

1. The standing instruction to Maubank Assurance is for the payment of monthly insurance premium, whereas the amount received from Liana is for the settlement of accounts receivable balance.
2. Amania, a newly appointed accounts clerk had incorrectly credited the business sales transactions on 9 March 2020.

Required:

Prepare the bank reconciliation statement for SUMIDA Enterprise as at 31 March 2020.

(8 marks)

[90 MARKS]

[TOTAL : 100 MARKS]

END OF QUESTION PAPER