



**KOLEJ YAYASAN PELAJARAN JOHOR
FINAL EXAMINATION**

COURSE NAME : FINANCIAL ACCOUNTING AND REPORTING 1
COURSE CODE : DAC1013
EXAMINATION : DECEMBER 2022
DURATION : 3 HOURS

INSTRUCTION TO CANDIDATES

1. This question paper consists of **FIVE (5)** questions.
2. Candidates are not allowed to bring any material to examination room except with the permission from the invigilator.
3. Please check to make sure that this examination pack consist of:
 - i. The Question Paper
 - ii. An Objective Answer Paper
 - iii. An Answering Booklet

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

*This examination paper consists of **10** printed pages including front page*

This question paper consists of **FIVE (5)** questions.
Answer ALL questions in Answering Booklet.

QUESTION 1

A. Muhammad Fairul and Najwa had just started a business on January 1, 2021. They were involved in a business selling traditional cookies for the brand named "Najwalicious". They were agreed to share profit loss of the business based on capital contribution. *Shareholder*

Muhammad Fairul contributed RM20,000 cash and two equipment amounted to RM8,000 to be used for the business while Najwa only contributed furniture valued at RM5,000. The contribution made by the owners has been recorded as capital in the business book account. *owner's contribution*

On December 24, 2021, Puan Siti, a regular customer bought Najwalicious cookies that amounted to RM1,000 on credit. This transaction had not been recorded elsewhere in the books because the payment has not yet been received. The business only records revenue and expenses when cash is received and paid.

Required:

- a. State **THREE (3)** characteristics of the above business set up. (3 marks)
- b. Briefly explain the accounting concept that has been applied and violated in the above scenario. (3 marks)

B. On May 1, 2021, Nina Diana set up Diana Boutique, a business selling women attire and accessories located in Johor Bahru, Johor. She introduced cash at bank amounting RM100,000 as a capital. At the same time, she brought in furniture valued at RM8,000. On May 3, 2021, she purchased a motor vehicle to be used in the business valued at RM45,000 paid by cheque.

On May 8, 2021, she received invoices from two accounts payable, Ramle Enterprise and Zian Attire for goods purchased. The values of goods purchased were RM2,500 and RM1,600 respectively. On May 13, 2021, Diana Boutique issued a debit note to Ramle Enterprise costing to RM140 for damaged goods. Diana Boutique also issued a cheque amounting of RM1,000 to Ramle Enterprise as part of settlement on the same day.

On May 18, 2021, Diana Boutique issued a cheque to Zian Attire for the settlement of its account. On May 30, 2021, Diana Boutique issues an invoice to Farah Hijab amounting to RM3,000. The business uses the periodic inventory system to record the movement of its inventory

Required:

a) Explain the purpose of the financial statements.

(2 marks)

b) Analyse 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	-
1/5	Bank +100, 000 Furniture 8,000				Capital +108,0 00					

(14 marks)

[22 MARKS]

QUESTION 2

Puan Salbiah is a business owner of Biah Enterprise that involved in selling frozen food in Seremban Negeri Sembilan since 2019. For the month of October 2021, the following transactions had taken place: -

1. On 14 October, Biah Enterprise bought inventory from Minfood Sdn Bhd costing RM5,000 on credit. The credit term was 2/15 net 30.

2. On 16 October, Biah Enterprise sold 100 packs of frozen doughnut amounted RM1,000 to Puan Rahmah on credit. The credit term was 5/10 net 30.

3. On 18 October, Puan Rahmah returned 2 packs of frozen doughnut due to quality problems.

4. On 19 October, Biah Enterprise issued a credit note of RM100 to Minfood Sdn Bhd.

5. On 20 October, Puan Rahmah made a full payment to Biah Enterprise by cheque.

6. On 25 October, Biah Enterprise sold a variety of frozen food to the Aminah Mini Mart amounted to RM10,000.

7. On 26 October, Biah Enterprise made a full payment to Minfood Sdn Bhd by cheque

(Note: the business uses the periodic system to record the inventory)

Required:

a) Briefly explain the **TWO (2)** types of inventory accounting systems.

(4 marks)

b) Journalise the above transactions in the appropriate special journals.

(16 marks)

[20 MARKS]

QUESTION 3

a) Define the prepaid and accrued expenses.

(2 marks)

b) What is the impact of prepaid revenue on the profit and loss account?

(2 marks)

c) The following is the trial balance of JKH Enterprise as at 31 December 2021.

	Debit (RM)	Credit (RM)
Capital C		967,500
Drawing C	2,220	
Land A	833,920	
Furniture A	52,000	
Accumulated depreciation - furniture		23,900
Motor vehicle A	68,000	
Accumulated depreciation – motor vehicle		6,500
Accounts receivable and Accounts payable	38,850	38,740
Purchases and Sales	437,020	494,300
Discount	130	570
Returns	2,330	2,700
Inventory	13,400	
Bad debts	3,270	
Carriage inwards	1,400	
Carriage outwards	3,500	
Rents	14,600	
Insurance	2,030	
Salaries and allowances	42,600	
Water and electricity	3,660	
Advertising expenses	28,400	
Commission received		630
Loan from CIMB L		41,100
Cash in hand * CA	31,200	
Bank overdraft L		2,590
	1,578,530	1,578,530

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

1. Closing inventory as at 31 December 2021 was RM32,600

2. During the year, the owner took goods worth RM700 for his personal use. This was not recorded in the books. *→ drawings - for*

3. Accrued expenses: *✓*

- | | | |
|---|---------|------------------|
| a. Advertising | RM1,280 | <i>liability</i> |
| b. Water and electricity | RM600 | |
| c. Interest on loan for the whole accounting year | RM4,110 | |

4. ~~Depreciation~~ on motor vehicle and furniture and fittings were RM10,200 and RM5,200 respectively. *(4)*

5. Prepaid expenses: *✓*

- | | |
|----------------------------|---------|
| a. Salaries and allowances | RM2,700 |
| b. Rents | RM1,100 |
| c. Carriage outwards | RM4,110 |

Required:

- i. Prepare the Statement of Profit or Loss for the year ended 31 December 2021. (13 marks)
- ii. Statement of Financial Position as at 31 December 2021. (11 marks)

[28 MARKS]

QUESTION 4

The following is the statement of financial position of Karina Enterprise as at 31 December 2021.

KARINA ENTERPRISE
Statement of Financial Position as at 31 December 2021

	RM	RM
Non-Current Assets		28,000
Current Assets		
Inventories	25,000	
Account receivables	18,700	
Cash at bank	11,000	
Prepaid rental	4,300	
		<u>59,000</u>
		<u>87,000</u>
Financed by:		
Capital		45,000
Add: net profit		15,000
Current Liabilities		
Account payable	25,600	
Accrued printing and stationery	<u>1,400</u>	<u>27,000</u>
		<u>87,000</u>

Additional information:

- i. Cash sales and credit sales for the year ended 2021 were RM12,100 and RM48,900 respectively.
- ii. Cost of goods sold was RM16,000.
- iii. Opening inventories were RM5,000.

Required:

Compute and briefly explain the significance of the following ratios for Karina Enterprise for the year ended 31 December 2021.

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

[15 MARKS]

QUESTION 5

In March of 2021, Pn. Zurin, the owner of Rinrin Enterprise received the following statement from We Bank Bhd.

We Bank Bhd				
Bank Statement for the month of March 2021				
Client:		Rinrin Enterprise		
Account no:		010203040505		
Type of account:		Current Account		
Statement date:		31 March 2021		
Bank Account				
Date	Particulars	Dr	Cr	Balance
		RM	RM	RM
1/3/2021	Beginning Balance			15,000 Cr
3/3/2021	Cheque cleared (112)	5,800		9,200 Cr
5/3/2021	Cheque cleared (113)	3,700		5,500 Cr
9/3/2021	Cheque cleared (114)	1,500		4,000 Cr
27/3/2021	Cheque cleared (116)	5,420		1,420 Dr
28/3/2021	Standing order	890		2,310 Dr
29/3/2021	Cheque deposit (547)		8,500	6,190 Cr
29/3/2021	Credit transfer		3,000	9,190 Cr
30/3/2021	Cheque deposit (954)		2,500	11,690 Cr
30/3/2021	Cheque deposit (852)		14,000	25,690 Cr
31/3/2021	Service charges	30		25,660 Cr
31/3/2021	Interest		14	25,674 Cr

The bank account of Rinrin Enterprise showed the following records:

Bank Account				
Date	Particulars	Dr	Cr	Balance
		RM	RM	RM
1/3/2021	Beginning Balance			15,000
2/3/2021	Purchases (112)		5,800	9,200
4/3/2021	Purchases (113)		3,700	5,500
7/3/2021	Advertisement (114)		1,500	4,000
8/3/2021	Utilities (115)		600	3,400
11/3/2021	Sales (547)		8,500	(5,100)
15/3/2021	Sales (852)	14,000		8,900
27/3/2021	Sales commission (116)		5,240	3,660
28/3/2021	A/c Payable (117)		8,700	(5,040)
31/3/2021	Salaries (118)		2,200	(7,240)

Additional information:

- The bank had wrongly recorded cheque no. 954 which belong to Riri Enterprise in the account of Rinrin Enterprise
- The bookkeeper of Rinrin Enterprise had made errors in the recording of cheque no. 116 and 547.

Required:

Prepare the bank reconciliation statement for Rinrin Enterprise as at 31 March 2021.

[15 marks]

[Total : 100 MARKS]

END OF QUESTION PAPER