



FINAL EXAMINATION
NOVEMBER 2023

COURSE TITLE	PRINCIPLES OF ACCOUNTING
COURSE CODE	AACT2113
DATE/DAY	25 FEBRUARY 2024 / SUNDAY
TIME/DURATION	05:00 PM - 07:00 PM / 02 Hour(s) 00 Minute(s)

INSTRUCTIONS TO CANDIDATES :

1. Please read the instruction under each section carefully.
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3. Students who are caught breaching the Examination Rules and Regulation will be charged with an academic dishonesty and if found guilty of the offence, the maximum penalty is expulsion from the University.

(This Question Paper consists of 5 Printed Pages including front page)

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This question paper consists of THREE (3) questions. Answer ALL questions in the answer booklet provided. [50 MARKS]

QUESTION 1

(20 Marks)

Varian My runs a merchandising business in Subang Two, since 2015. The following list of account balances were taken from the ledger as at 30 June 2021.

	Debit	Credit
	RM'000	RM'000
10% Loan		100
Accounts Payable		60
Accounts Receivable	168	
Accumulated Depreciation - Building		20
Accumulated Depreciation – Delivery Vans		20
Accumulated Depreciation - Machinery		500
Administrative Expense	170	
Allowance for Doubtful Debts		22
Building at cost	700	
Capital, Varian My		3,200
Carriage Inwards	8	
Cash at Bank	35	
Commission Revenue		11
Delivery Vans	100	
Discount Allowed	10	
Discount Received		4
Distribution Expense	235	
Drawings, Varian My	125	
Inventory as at 1 July 2020	35	
Land at cost	100	
Loan interest Expense	5	
Machinery at cost	3,640	
Petty Cash Fund	1	
Purchases	350	
Purchases Returns		9
Salaries and wages Expense	33	
Sales Returns	12	
Sales Revenue		1,781
Total	5,727	5,727

Additional Information:

- (i) Inventory as at 30 June 2021 amounted to RM25,000 at cost price.
- (ii) Depreciation on Machinery of RM364,000; on Delivery Vans RM16,000; on Buildings RM14,000 is to be provided for the year ended 30 June 2021.
- (iii) Administrative Expense of RM3,000 was prepaid and Distribution Expense of RM2,000 were due but was unpaid as at 30 June 2021.
- (iv) A credit customer owing RM8,000 was insolvent and to be written off; and the allowance for doubtful debts is to be adjusted to 20% of Net Account Receivable.
- (v) A cash sale for RM60,000 dated 30 June 2021 has been omitted from the records.
- (vi) The interest on loan is repaid RM10,000 in the month of June every year.

Required:

- a) Prepare a detailed Statement of Financial Performance (Profit & Loss Statement) for the year ended 30 June 2021. (9 marks)
- b) Prepare the Statement of Owner's Equity for the year ended 30 June 2021. (2 marks)
- c) Prepare the Statement of Financial Position (Balance Sheet) as at 30 June 2021. (9 marks)

QUESTION 2

(15 Marks)

On 1 July 2020, the Motor Vehicle account balance and the Accumulated Depreciation account balance of RMCO Traders stood at RM150,000 and RM80,000 respectively. The motor vehicle was purchased on 1 July 2016.

The financial year end of RMCO Traders is 30 June every year. Hence, depreciation on motor vehicle has been provided until 30 June 2020.

On 1 January 2021, the used motor vehicle was exchanged for a new motor vehicle at a cost of RM135,000. The trade-in value agreed was RM65,000. The balance is to be paid via a three-year bank loan.

The new vehicle is expected to be used for five years, after which it will be sold for RM15,000.

Required:

- Show the journal entries for the depreciation on 1 January 2021. (2 marks)
- Show the journal entries to record the derecognition of the (cost) carrying amount and the accumulated depreciation of the used motor vehicle. (3 marks)
- "Motor vehicles are assets for a business entity". Explain using the definition and recognition criteria for 'assets' why the motor vehicles are assets and are shown on the balance sheet of a business entity. (10 marks)

QUESTION 3

(10 Marks)

Sue Raya's Cash at Bank Account and the banks statement for the month of June 2021 are as follows:

Cash at Bank A/C

2021	Details	RM	2021	Details	Cheque No.	RM
Jun. 1	Balance b/d	950	Jun. 2	Petty cash	100198	106
8	Goldilocks	140	15	Grab fare	100199	25
28	Wan Mdb plc	280	21	Cameroonian	100200	44
30	Sales	311	29	Prasa Rana	100201	90

Bank statement for the month of June 2021

2021		Debit	Credit	Balance
		RM	RM	RM
Jun. 1	Balance			850 Cr
5	100198	106		744 Cr
12	Standing order (insurance)	50		694 Cr
18	100199	25		669 Cr
27	100200	44		625 Cr
29	Credit transfer: Kwan Tan Nese		100	725 Cr
30	Bank charges	15		710 Cr
	Direct debit (rates)	400		310 Cr

Additional information:

- The cheque received from Goldilocks was returned by bank marked 'Refer to Drawer'.
- The correct value for Sue Raya's Cash at Bank balance on 1 June 2021, is RM850.
- The bank had incorrectly entered a standing order for insurance in Sue Raya's business bank account instead of her personal bank account.

Required:

- (a) Update Sue Raya's Cash at Bank account. (5 marks)
(b) Prepare the Bank Reconciliation Statement as at 30 June 2021. (5 marks)

***** END OF QUESTION PAPER *****


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