



FINAL EXAMINATION
JULY 2022

COURSE TITLE	BASIC FINANCIAL ACCOUNTING
COURSE CODE	FACT0114
DATE/DAY	20 OCTOBER 2022 / THURSDAY
TIME/DURATION	09:00 AM - 12:00 PM / 03 Hour(s) 00 Minute(s)

INSTRUCTIONS TO CANDIDATES :

1. Please read the instruction under each section carefully.
2. Candidates are reminded not to bring into examination hall/room any form of written materials or electronic gadget except for stationery that is permitted by the Invigilator.
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 11 Printed Pages including front page)

This question paper consists of TWO (2) sections. Write your answer in the answer booklet provided. (100 Marks)

SECTION A

(40 Marks)

There are TWENTY (20) questions in this part. Answer ALL questions in the answer booklet.

1. In the event of the Account Receivable / Debtors cannot pay part or full of the accounts they owed to the business known as:
 - A. Bad Debt
 - B. Accruals
 - C. Prepayments
 - D. None of the above

2. Bad debt recovered will happen when:
 - A. The Account Receivable / Debtors totally do not pay the debt
 - B. Some of the bad debts that were previously written off are recovered
 - C. No action taken at all to the Account Receivable / Debtors
 - D. None of the above

3. The estimation amount of Account Receivables at year end that are likely to end up as bad debts is known as:
 - A. Bad debts
 - B. Bad debt recovered
 - C. Not as described
 - D. Allowance for doubtful debt

4. The Account Receivables / Debtors, Didi was declared bankrupt and her debts to your company was RM750 declared as bad debts. Which is the right journal entry to be recorded?
 - A.

Dr. Bad Debts	RM750		
Cr. Didi		RM750	

 - B.

Dr. allowance for doubtful debt		RM750	
Cr. Bad Debts			RM750

 - C.

Dr. Sales	RM750		
Cr. Didi		RM750	

 - D.

Dr. Bad Debts recovered		RM750	
Cr. Didi			RM750

9. OMG company has paid the rental in arrears with the amount of RM386. Determine the correct journal entry for this transaction.

- A. Dr. Bad Debts RM386
 Cr. Rent RM386
- B. Dr. Rental expenses RM386
 Cr. Accrued rent RM386
- C. Dr. Prepaid rent RM386
 Cr. Cash RM386
- D. Dr. Cash RM386
 Cr. Debtors RM386

10. The accrued expenses should be treated as:

- A. Current Asset
B. Current Liability
C. Non-Current Asset
D. Equity

11. The allocation of the depreciable amount over its estimated useful life is known as the definition of:

- A. Current Asset
B. Current Liability
C. Non-Current Asset
D. Depreciation

12. Below are the methods used to calculate depreciation, **EXCEPT**:

- A. Straight line method
B. Reducing balance method
C. Diminishing method
D. Accruals

13. By using the straight-line basis, compute the amount of depreciation for the transaction of a van at an amount bought at RM65,000. Its estimated useful life is 10 years. Therefore, the amount of depreciation is:

- A. RM5,500
B. RM60,000
C. RM6,000
D. RM6,500

14. Danny has bought a computer for his business at a cost of RM6,000. This computer is depreciated at 20% on reducing balance method. Calculate the amount of depreciation on year 2.
- A. RM1,200
 - B. RM3,840
 - C. RM4,800
 - D. RM960
15. Dania bought furniture for his business at a cost of RM8,750. This furniture is depreciated at 10% on reducing balance methods. The balance of accumulated depreciation for furniture is RM1,750. Calculate the amount of depreciation for the furniture for this year.
- A. RM700
 - B. RM2,450
 - C. RM6,300
 - D. RM175

Refer to the details below to answer question 16 to 20:

A company purchased machinery on 1st June 2021 for RM25,000 by cheque. The machinery was estimated to last for 5 years. The accountant needs your help to assist him in completing the following task before year end. The details were as follows:

16. Calculate the depreciation value by using the straight-line method
- A. RM5,000
 - B. RM2,500
 - C. RM0
 - D. RM250
17. Determine the correct journal entry for the above transaction.
- A.

Dr. Bad Debts	RM5,000		
Cr. Rent		RM5,000	
 - B.

Dr. Depreciation – machinery	RM5,000		
Cr. Accumulated depreciation		RM5,000	
 - C.

Dr. Prepaid depreciation	RM5,000		
Cr. Cash		RM5,000	
 - D.

Dr. Cash	RM5,000		
Cr. Machinery		RM5,000	

18. Calculate the depreciation value by using the straight line method if the scrap value is RM5,000
- A. RM4,000
 - B. RM5,000
 - C. RM2,500
 - D. RM250
19. Determine the correct journal entry for the above transaction.
- A. Dr. Bad Debts RM4,000
 Cr. Rent RM4,000
 - B. Dr. Depreciation – machinery RM4,000
 Cr. Accumulated depreciation RM4,000
 - C. Dr. Prepaid depreciation RM4,000
 Cr. Cash RM4,000
 - D. Dr. Cash RM4,000
 Cr. Machinery RM4,000
20. Calculate the depreciation value by using the reducing balance method of 20% for year 3.
- A. RM3,200
 - B. RM4,000
 - C. RM5,000
 - D. RM2,500

SECTION B

(60 Marks)

There are **THREE (3)** questions in this part. Answer **TWO (2)** questions only in the answer booklet.

Question 1

(30 Marks)

Below are the details for Christmas Sdn. Bhd.

Trial Balances as at 31 December 2021

	Debit (RM)	Credit (RM)
Sales		265,900
Purchases	154,870	
Rent	4,200	
Electricity Expenses	530	
Salaries	51,400	
Insurances	2,100	
Building	85,000	
Account Receivables	31,300	
Furniture	1,100	
Carriage Inwards	412	
Account Payables		15,910
Bank	14,590	
Drawings	30,000	
Van	16,400	
Carriage Outwards	4,110	
Capital		114,202
	396,012	396,012

Inventories as at 31 December 2021 was RM16,280

You are required to do the following:

- a) Prepare the Statement of Profit and Loss for the year ended 31st December 2021. (15 marks)
- b) Prepare the Statement of Financial Position as at 31st December 2021. (15 marks)

Question 2

(30 Marks)

Perniagaan Fairy needs your help in assisting them to complete the necessary adjustments. The following are the details of Perniagaan Fairy.

Perniagaan Fairy
Trial Balance as at 31 December 2021

	Debit (RM)	Credit (RM)
Sales		190,576
Purchases	119,832	
Salaries	56,527	
Motor Expenses	2,416	
Rent	1,894	
Insurance	372	
Return Inwards	85	
Premises	95,420	
Land	18,000	
Motor Vehicles	16,594	
Account Receivables	26,740	
Account Payables		16,524
Cash	842	
Bank	16,519	
Drawings	11,425	
Capital		138,066
Return Outwards		3,650
Bad Debts	2,590	
Carriage Outwards	2,000	
Carriage Inwards	1,060	

Accumulated Depreciation – Motor vehicle		3,500
Accumulated Depreciation – Premises		20,000
	<u>372,316</u>	<u>372,316</u>

Following is the additional information:

- i. Inventories as at 31 December 2021 was RM12,400
 - ii. Bad debt RM200 is not being recorded yet
 - iii. Provision to be made was: depreciation for non-current asset: premises 6% at cost and motor vehicles at 10% on reducing balance method
 - iv. Allowance for doubtful debts at 5% on balance of Account receivables
 - v. Insurance paid for 12 months started on 1 August 2021
 - vi. Rent still unpaid RM2,000
 - vii. Accrued salaries amounted to RM2,500
 - viii. The owner takes out cash from bank for personal use RM3,700
- a) Prepare the Statement of Profit and Loss for the year ended 31 December 2021. (18 marks)
- b) Prepare the Statement of Financial Position as at 31 December 2021. (12 marks)

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Question 3

(30 Marks)

For this question, please refer to the following transactions. All the transactions have to be treated independently.

- a) A motor vehicle which cost RM30,000 was bought on 1st January 2021. Financial statement is prepared annually on 31st December. The depreciation is provided at 25% per annum under the reducing balance method.

You are **required** to prepare the depreciation account for the first 3 years of the motor vehicles working life and show clearly the net book values as at the end of each year on the Statement of Financial Position.

(10 marks)

- b) The total Account Receivables of Syarikat Jalanlalu for the year ended 31st July 2019, 2020 and 2021 as shown below:

Year	Account Receivables (RM)
2019	40,000
2020	48,000
2021	43,000

Syarikat Jalanlalu provided an allowance for doubtful debt 5% from Account Receivables for every year.

You are **required** to show the account of allowance for doubtful debt, statement of profit and loss and statement of financial position for the year ended 31 July 2019, 2020 and 2021.

(5 marks)

- c) Rose starts business on 1 January 2021. The following is the trial balance as at 31 December 2021:

	Debit (RM)	Credit (RM)
Capital		110,300
Bank	15,500	
Trade Receivables	8,000	
Trade Payables		25,000
Building	88,000	
Furniture	10,000	
Accumulated depreciation – furniture		500
Motor Vehicle	15,000	
Accumulated depreciation – MV		1,500
Sales		18,000
Purchases	9,800	
Return inwards	750	

Return outwards		1,200
Inventories on 1 January	2,000	
Salaries	7,850	
Administrative expenses	1,800	
Drawings	2,300	
Commission received		4,500
	161,000	161,000

Inventories as at 31 December 2021 was RM1,030.

You are required to do the following:

- a) Prepare the statement of profit and loss for the year ended 31 December 2021. (7 marks)
- b) Prepare the statement of financial position as at 31 December 2021. (8 marks)

*** END OF QUESTION PAPER ***

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