



PENINSULA
COLLEGE
GEORGETOWN

FINAL EXAMINATION

Programme Name	:	DIPLOMA IN BUSINESS STUDIES
Course Code & Name	:	DBBM4053 BUSINESS PLANNING
Duration	:	3 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Please read the instructions given in the question paper **CAREFULLY**.
2. The question paper consists of **FOUR (4)** questions.
3. Answer **ALL** questions in the question paper.
4. Answers to the questions are to be written into the examination booklet.
5. Electronic dictionaries, lecture notes, files or any unauthorised materials except writing equipment are strictly prohibited.

This question paper must be submitted along with all used and/or unused rough papers and/ or graph papers (if any). Candidates are **NOT ALLOWED** to take any examination paper(s) used or unused out of the examination hall.

WARNING:

The Examination Board of Peninsula College Georgetown regards cheating as a very serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in the accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from Peninsula College Georgetown.

(This booklet contains 4 printed pages including this page)

DO NOT OPEN THIS BOOKLET UNTIL YOU ARE ALLOWED TO DO SO

4. Below are the statement of profit and loss and statement of financial position of Joanne Boutique, which was recently established by Joanne Lee.

Joanne Boutique
Statement of Profit and Loss for the year ending 31 December 2022

	RM	RM
Sales		477,050
Less Cost of goods sold		
Opening inventory	39,250	
Purchases	293,850	
	333,100	
Less Closing inventory	47,250	285,850
Gross profit		191,200
Less Operating expenses		161,300
Earnings before interest and taxes		29,900
Less Interest expenses		11,000
Profit before tax		18,900
Less Tax		6,100
Net profit		12,800

Joanne Boutique
Statement of Financial Position as at 31 December 2022

	RM	RM
ASSETS		
Non-current assets		
Plant and machinery	700,000	
Less Accumulated depreciation	175,000	525,000
Motor vehicles	330,000	
Less Accumulated depreciation	275,000	55,000
Office furniture and equipment	65,000	
Less Accumulated depreciation	32,500	32,500
		612,500
Current assets		
Inventory	87,600	
Accounts receivable	32,500	
Bank	12,400	132,500
		745,000
EQUITY AND LIABILITIES		
Equity		
Share capital	400,000	
Retained earnings	33,150	
Add Profit	12,800	
		445,950
Non-current liabilities		
Loan		280,000
Current liabilities		
Taxes payable	3,250	
Accounts payable	15,800	19,050
		745,000

Required:

- a) Calculate the following ratios based on the above statements:
- i) Gross profit ratio (2 marks)
 - ii) Net profit ratio (2 marks)
 - iii) Return on assets (2 marks)
 - iv) Current ratio (2 marks)
 - v) Acid test ratio (2 marks)
 - vi) Inventory turnover ratio in days (2 marks)
 - vii) Accounts receivable turnover ratio in days (2 marks)
 - viii) Accounts payable turnover ratio in days (2 marks)
 - ix) Debt ratio (2 marks)
 - x) Interest coverage ratio (2 marks)
- b) Currently, Joanne Boutique is located inside a secluded neighbourhood shophouse. She believes she can earn higher sales if it's put in a better location. Inform Joanne by listing **FIVE (5)** critical factors regarding business location. (5 marks)
- Total: [25 marks]

- END OF QUESTIONS -