



PENINSULA
COLLEGE
GEORGETOWN



UNIVERSITY OF
PLYMOUTH

FINAL EXAMINATION

Programme Name	:	BA (HONOURS) ACCOUNTING AND FINANCE 3+0 IN COLLABORATION WITH UNIVERSITY OF PLYMOUTH
Course Code & Name	:	MAL1009 INTRODUCTION TO FINANCIAL ACCOUNTING AND REPORTING
Duration	:	3 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Please read the instructions given in the question paper **CAREFULLY**.
2. The question paper consists of **THREE (3)** 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 5 printed pages including this page)

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

Answer **ALL** questions on the separate sheet provided.

[100 marks]

1. a) On 1 September 2022, Faber Ltd showed the following transactions.

September

- 1 Balance brought forward: Cash RM750, Bank RM8,250
- 3 The following paid their accounts by cheques, in each case deducting 4% cash discounts: May RM330, Peter RM480, Danny RM640 (all amounts are pre discount)
- 5 Paid rent by cheques RM800.
- 7 James lent us RM6,000 paying by cheque.
- 8 Paid motor expenses in cash RM100.
- 9 We paid the following accounts by cheque, in each case deduction a 3% cash discount: Mary RM1,100, Robert RM990, Jack RM1,400 (all amounts are pre discount)
- 10 Paid wages in cash RM760.
- 13 Sam pays his account of RM230 by cheque after he is given deducting RM10 cash discount.
- 15 Cash drawings RM300.
- 16 The following paid their accounts by cheque, in each case deducting 6% cash discount: Lily RM670, Ben RM400 (all amounts are pre discount)
- 19 Bought fixtures paying by cheque RM1,500.
- 20 Cash withdrawn from the bank RM600 for business use.
- 22 Received commission by cheque RM300.
- 25 Paid Jason RM440 by cash after RM5 discount.
- 28 Received rental by cash RM2,000.

Required:

Prepare a three-column cash book for Faber Ltd.

(18 marks)

- b) The following information is related to Lenovo Ltd as at 30 November 2022.

	RM
Cash at bank as per the cash book	15,000
Unpresented cheques	3,900
Cash at bank as per the bank statement	18,400
Cheques received and paid into the bank but not yet entered on the bank statement	2,100
Credit transfers entered as banked on bank statement but not yet entered in the cash book	1,600

Required:

- i) Prepare the updated cash book. (3 marks)

- ii) Prepare the bank reconciliation as at 30 November 2022. (4 marks)

Total: [25 marks]

2. a) James, May and John are in partnership. They share profits: James 50%; May 30% and John 20%. They give you the following information in respect of the year ended 31 December 2022.
- Net profit for the year is RM258,000.
 - Interest of 6% is to be credited on the capital accounts.
 - Partners' salaries were to be credited as follows:
James RM26,000; May RM21,000; John RM16,000
 - Current account balances at 1 January 2022 were:
James RM23,000; May RM13,000; John RM10,000
 - Their capital accounts remained fixed for the whole of the year at the following amounts:
James RM130,000; May RM100,000; John RM70,000
 - Drawings in the year comprised:
James RM 83,000; May RM69,000; John RM41,000
 - Interest to be charged on drawings is:
James RM830; May RM690; John RM410

Required:

- i) Prepare a Profit & Loss Appropriation Account for James, May and John for the year ended 31 December 2022. (6 marks)
 - ii) Prepare an extract from the balance sheet as at 31 December 2022 in respect of the partners' capital and current accounts. (6 marks)
 - iii) Briefly explain how profits and losses would have been shared if a partnership agreement had not been in place. (2 marks)
- b) Jamie extracted a trial balance as at 31 May 2022 but was not able to balance it. As she could not find the errors immediately, she opened a suspense account and entered a RM1,307 credit balance in it.

In June 2022, she found the following errors:

1. The electricity account was overcast by RM300.
2. The sales account was undercast by RM790.
3. Cash of RM412 received from XES Ltd, a customer, was only entered in the cash book.
4. The total of the postage expenses account was undercast by RM195.
5. Cash purchases of RM1,200 was recorded in both the cash book and the ledger as RM1,400.

Required:

- i) Prepare the journal entries to correct the errors. (5 marks)
- ii) Show how the suspense account would be cleared by the appropriate entries. (3 marks)

- iii) Calculate the correct net profit figure after the above items have been corrected if the net profit figure, originally calculated for the year ended 31 May 2022, was RM35,000. (3 marks)

Total: [25 marks]

3. Below is the trial balance of Julie Ltd as at 31 May 2022.

	Dr RM	Cr RM
Land at cost	3,100,000	
Trade receivables	590,000	
Trade payables		336,000
Share premium		1,000,000
Ordinary share capital (RM1 each)		4,000,000
Heating expenses	56,000	
Rates and insurance	67,400	
Retained earnings as at 1 June 2021		1,729,100
General reserve as at 1 June 2021		520,000
Buildings at cost	6,200,000	
Buildings – Accumulated depreciation at 1 June 2021		744,000
Motor vehicles at cost	800,000	
Motor vehicles – Accumulated depreciation at 1 June 2021		200,000
Salaries and wages expenses	803,000	
Opening inventory as at 1 June 2021	450,000	
Bank and cash	310,000	
Electricity expenses	32,000	
Provision for doubtful debts		44,000
Dividends paid	230,000	
4% Bank loan repayable in 2025		300,000
Advertising and marketing expenses	24,200	
Packaging and stationery	45,100	
Purchases	1,312,000	
Directors' remuneration	153,400	
Sales		5,300,000
	14,173,100	14,173,100

Additional information:

- i) The inventory on 31 May 2022 cost RM300,000.
- ii) Depreciation is to be provided for the year to 31 May 2022 as follows:
 - Buildings 2% per annum on a straight-line basis.
 - Motor vehicles are to be depreciated on a 25% reducing balance basis.
- iii) The directors have decided to transfer RM70,000 to the general reserve this year.
- iv) A bad debt of RM46,000 needs to be written off.
- v) The tax charge for the year is RM192,000. At the year end, this remains unpaid.

- vi) Heating costs had been overpaid by RM13,000.
- vii) On 1 January 2022, the company took out the 4% bank loan repayable in 2025. Interest on this was to be paid every 6 months in arrears with the first interest payment falling due on 30 June 2022.
- viii) Electricity expenses of RM8,000 were outstanding.
- ix) The provision for doubtful debts is to be increased to RM52,000.

Required:

- a) Prepare the statement of profit or loss for the year ended 31 May 2022. (20 marks)

 - b) Prepare the statement of financial position as at 31 May 2022. (23 marks)

 - c) Prepare the statement of changes in equity for the year ended 31 May 2022. (7 marks)
- Total: [50 marks]

- END OF QUESTIONS -