



PENINSULA
COLLEGE
GEORGETOWN

FINAL SEMESTER EXAMINATION
(in compliance with MQA's requirement)

Programme	:	BA (HONS) BUSINESS
Academic year	:	2022/23
Stage	:	1
Course	:	BUSINESS ACCOUNTING
Course Code	:	MAL1002
Time Allowed	:	3 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Please read the instructions given in the question paper **CAREFULLY**.
2. This assessment consists of **FOUR (4)** questions.
3. Answer **ALL** questions.
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 papers out of the examination hall.

(This booklet contains 6 printed pages including this page)

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

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.

For examiner's use only

QUESTION NO.	MARKS
1	/ 25
2	/ 25
3	/ 25
4	/ 25
Total	/ 100

Answer **ALL** questions.

1. Wong is a perfume manufacturer. The outlet has prepared the previous month's profit statement shown below, which is based on the production of 2,000 perfumes.

	RM	RM
Sales		110,000
<u>Less: Expenses</u>		
Variable	60,000	
Fixed	35,000	(95,000)
Net profit before tax		<u>15,000</u>

You are required to:

- a) Calculate the break-even point in sales volume and value. (5 marks)
- b) Draw the break-even chart. (12 marks)
- c) Calculate the contribution to sales ratio. (2 marks)
- d) Calculate the margin of safety. (2 marks)
- e) Calculate the sales volume and value required to make a profit before tax of RM25,000. (4 marks)

[Total: 25 marks]

2. The director of D&PLH provided the following budgeted information below:

	Revenue	Purchases	Monthly Depreciation	Administration
2020	RM	RM	RM	RM
November	24,000	14,000	120	6,300
December	26,000	17,000	120	6,200
2021				
January	30,000	18,000	120	6,200
February	26,000	15,000	120	6,800
March	28,000	19,000	150	7,100
April	32,000	13,000	150	6,700

Other information is as follows:

- i. 10 % of all revenue is cash sales.
- ii. 50% of credit customers pay in the month following the sale and receive a 4% cash discount. The remaining trade receivables pay in the second month following the sale.
- iii. All purchases are on credit and are paid for in the month following the purchase, after deducting a 5% early settlement discount.
- iv. The business rent is RM 9,000 a year. This is paid in two equal installments on 1 February and 1 August each year.
- v. A dividend of RM3 ,100 is expected to be paid on 19 January 2021.
- vi. Administration costs are paid for in the month after the administration costs are incurred.
- vii. The company expects to take out a bank loan of RM 10,000 with an interest rate of 7.8% per annum on 1 March 2021. This is to help finance the purchase of a new vehicle in March which is expected to cost RM 12,000. The loan is to be repaid in full together with the interest after one year.
- viii. The company directors intend to sell an old vehicle in April 2021. This originally cost RM7,200 and by the date of disposal will have accumulated depreciation of RM5,100. The sales proceeds are anticipated to be RM 1,100.
- ix. Inventory on 1 January 2021 is expected to have a value of RM 2,100. Inventory on 30 April 2021 is expected to be valued at RM 3,800.
- x. It is expected that there will be a bank overdraft of RM 1,303 on 1 January 2021.

You are required to :

Prepare a Cash budget for each of the Four months January to April 2021. (25 marks)
[Total: 25 marks]

3. The budget unit sales for Jana Corporation for the upcoming quarter are as follows:

	July	August	September	Quarter
Unit sold	30,000	25,000	22,000	77,000

The company's variable expenses include:

Shipping expenses	RM 2.00 per unit
Sales commission	RM 5.00 per unit
Other expenses	RM 6.00 per unit

The company's fixed expenses are:

Advertising	RM 75,000 per month
Executive salaries	RM 90,000 per month
Depreciation	RM 20,000 per month

Also, executive bonus payments of RM 25,000 will be made in July and September, and a major building repair of RM 35,000 will be paid in August.

You are required to:

Prepare the company's selling and administrative budget for the upcoming quarter

(25 marks)

[Total: 25 marks]

4. BDZ Ltd is a home furnishing product company. The financial statement of the two years was as follow:

Statement of Financial Position as at 30 September.

	2020 RM “000”	2021 RM “000”
Non-current Assets		
Property, plant, and equipment		
Land and buildings	250	600
Plant and equipment	<u>230</u>	<u>400</u>
	480	1,000
Investments at cost	-	<u>140</u>
	<u>480</u>	<u>1,140</u>
Current Assets		
Inventories	78	400
Trade Receivables	72	300
Bank	<u>25</u>	<u>250</u>
	<u>175</u>	<u>950</u>
Total Assets	<u>655</u>	<u>2,090</u>
Equity and Liabilities		
Equity		
RM0.50 Ordinary Share	400	600
Share premium	0	400
Reserves	0	315
Retained profit	<u>125</u>	<u>325</u>
	525	1640
Non-current Liabilities		
Borrowings – 10% Loan notes	70	200
Current Liabilities		
Trade payables	<u>60</u>	<u>250</u>
Total Equity and Liabilities	<u>655</u>	<u>2,090</u>

Income Statement for the year ended 30September

	2020 RM “000”	2021 RM “000”
Sales revenue	750	2,250
Cost of sales	<u>(400)</u>	<u>(1,150)</u>
Gross Profit	350	1,100
Expenses	<u>(120)</u>	<u>(350)</u>
Operating Profit	230	750
Interest	(7)	(20)
Taxation	<u>(23)</u>	<u>(30)</u>
Net Profit for the year	200	700

You are required to:

- a) Calculate the following ratios for BDZ Ltd. Use the end-of-year values to calculate ratios for both 2020 and 2021.
- i. Return on Capital employed- ROCE
 - ii. Operating profit Margin
 - iii. Gross Profit Margin
 - iv. Inventory Turnover Period
 - v. Account Receivable Turnover Ratio
 - vi. Account Payable Turnover Ratio
 - vii. Current Ratio
 - viii. Acid Test Ratio

(16 marks)

- b) Interpret the ratio analysis of company BDZ Ltd.'s performance over the two years 2020 and 2021.

(9 marks)

[Total: 25 marks]

- END OF QUESTIONS -