

**UNIVERSITY COLLEGE TATI (UCTATI)****FINAL EXAMINATION QUESTION BOOKLET**

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| COURSE CODE | : BBM 1073 |
| COURSE TITLE | : BUSINESS ACCOUNTING |
| SEMESTER/SESSION | : 2- 2023/2024 |
| DURATION | : 3 HOURS |

Instructions:

1. This booklet contains 5 questions. Answer **ALL** questions.
2. All answers should be written in the answer booklet.
3. Write legibly and draw sketches wherever required.
4. If in doubt, raise your hand and ask the invigilator.

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

THIS BOOKLET CONTAINS 7 PRINTED PAGES INCLUDING COVER PAGE

QUESTION 1

a) Calculate the value for the following missing items below:

| Assets (RM) | Capital (RM) | Liabilities (RM) |
|----------------|-----------------|---------------------|
| 45,000 | | 12,400 |
| | 33,000 | 13,333 |
| 21,200 | 10,000 | |
| 45,678 | | 34,567 |
| | 85,400 | 43,300 |

(5 marks)

b) Classify the following items into a fixed asset, current asset, owner's equity, long-term liability, current liability, revenue, or expenses:

- i. Cash in the bank
- ii. Premises
- iii. stock
- iv. Trade creditors
- v. Building
- vi. Long-term loan
- vii. Utility bills
- viii. Rent received
- ix. Trade debtors
- x. Capital

(10 marks)

QUESTION 2

Show the double entry transaction of the following in the books of Mr. Amir.

- i. Started business with a capital of RM 100,000
 - ii. Bought furniture for RM25,000 paying by cash
 - iii. Bought goods for cash RM 20,000
 - iv. Bought goods from Syarah on Credit RM 5,000
 - v. Sold goods for cash for RM 15,000
 - vi. Sold goods to Alif on credit RM 8,000
 - vii. Paid cash to Naqid RM 4,000
 - viii. Received cash from Alif RM 5,000
 - ix. Paid Cash into Bank RM 25,000
 - x. Withdrawn from bank RM 10,000
- (10 marks)

QUESTION 3

A machine costs RM8,000. It will be kept for five years and then sold for an estimated figure of RM2,400. Calculate the depreciation for each of the five years using the reducing balance method with a depreciation rate of 20 percent. (8 marks)

QUESTION 4

Nazril Nazim started business on 1 October 2021. The following is his trial balance at 30 September 2022:

| | Dr | Cr |
|-------------------|---------------|---------------|
| | RM | RM |
| Capital | | 6,000 |
| Cash | 400 | |
| Creditors | | 5,900 |
| Debtors | 5,000 | |
| Furniture at cost | 8,000 | |
| General expenses | 14,000 | |
| Insurance | 2,000 | |
| Purchases | 21,000 | |
| Sales | | 40,000 |
| Telephone | 1,500 | |
| | <u>51,900</u> | <u>51,900</u> |

The following information was obtained after the trial balance had been prepared:

1. Stock on 30 September 2022: RM 3,000.
2. Furniture is to be appreciated at a rate of 15 percent on cost.
3. In September 2022, Alif owed RM500 for telephone expenses and insurance had been prepaid by RM 200.

Required:

Prepare Nazril Nazim's Income Statement for the year to 30 September 2022 and Statement of Financial Position as at that date.

(30 marks)

QUESTION 5

The following information has been extracted from Azwan Limited for the year to January 2021.

| Azwan Limited | | |
|---|-----------|-----------|
| <u>Income Statement for the year to 31 January 2021</u> | | |
| | RM '000 | RM'000 |
| Sales (all credit) | | 100 |
| <u>Less: COGS</u> | | |
| Opening stock | 15 | |
| Purchases | <u>65</u> | |
| | 80 | |
| (-) closing stock | 10 | <u>70</u> |
| Gross profit | | 30 |
| | | |
| Less: Expenses | | |
| Administrative expenses | | <u>16</u> |
| | | |
| Net profit | | <u>14</u> |

| Azwan Limited | | |
|--|----------|-----------|
| <u>Statement of the Financial Position as at 31 January 2021</u> | | |
| | RM '000 | RM'000 |
| FIXED ASSETS (net book value) | | 29 |
| | | |
| CURRENT ASSETS | | |
| Stock | 10 | |
| Debtors | 12 | |
| Cash | <u>3</u> | |
| | 25 | |
| | | |
| Less: CURRENT LIABILITIES | | |
| Creditors | <u>6</u> | <u>19</u> |
| | | <u>48</u> |
| | | |
| <u>FINANCED BY:</u> | | |
| | | |
| Capital as at 1 February 2020 | | 40 |
| Add: Net profit | 14 | |
| Less: drawings | <u>6</u> | <u>8</u> |
| | | <u>48</u> |

Required

a) Calculate the following accounting ratios:

- | | | |
|------|----------------------------|-----------|
| i. | Grosse profit | (4 marks) |
| ii. | Net profit | (4 marks) |
| iii. | Return on capital employed | (4 marks) |
| iv. | Current ratio | (4 marks) |
| v. | Acid test ratio | (4 marks) |
| vi. | Stock turnover | (4 marks) |
| vii. | Debtors collection period | (4 marks) |

b) Briefly comments on the company's liquidity, efficiency, and profitability performance (9 marks)

-----End of question-----

FORMULA

Gross Profit: = Sales - Cost of Goods Sold (COGS)

Net Profit = Gross Profit - Expenses

ROCE = (Net Profit / Capital) * 100

Current Ratio = Current Assets / Current Liabilities

Acid Test Ratio = (Current Assets - Stock) / Current
Liabilities

Stock Turnover = COGS / Average Stock

Debtors Collection Period = (Debtors / Sales) * 365

