



**UTHM**

Universiti Tun Hussein Onn Malaysia

**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

**FINAL EXAMINATION  
SEMESTER I  
SESSION 2013/2014**

COURSE NAME : PRINCIPLES OF ACCOUNTING /  
ASAS PERAKAUNAN

COURSE CODE : BPA 11403 / BPK 1043

PROGRAMME : 1 BPA / 4 BIT

EXAMINATION DATE : DECEMBER 2013 / JANUARY 2014

DURATION : 3 HOURS

INSTRUCTION : ANSWER ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF SEVEN (7) PAGES

**Q1** NAMZ Pack N Stack Sdn Bhd, a company manufacturing industrial plastic containers, is in the process of preparing its financial statements for the year ended December 31, 2012.

The following summarizes NAMZ's inventory at the start of the year 2012:

Inventories	January 1,2012
Direct Materials	RM 56,000
Work in Process	RM103,000
Finished Goods	RM 45,000

The information on other costs involved in 2012 extracted from the adjusted trial balance are as follows :

Items	RM	RM
Cash	198,200	
Accounts receivable	89,600	
Prepaid rent expense	4,800	
Inventory –Direct materials	23,000	
Inventory –Work in process	62,000	
Inventory – Finished goods	57,000	
Factory plant and machineries	725,000	
Office equipment	70,000	
Vehicles	475,000	
Accum.depreciation- Factory plant and machineries		435,000
Accum.depreciation –Office equipment		28,000
Accum.depreciation - Vehicles		190,000
Accounts payable		96,000
Unearned revenue		82,400
Long term loan		120,000
Common stock		244,000
Retained earnings		209,200
Sales revenue		1,298,000
Selling and Administrative expense	69,000	
Supervisor salaries	72,000	
Administrative salaries	144,000	
Purchases –Direct material	159,000	
Direct labour	134,000	
Indirect labour	63,000	
Property tax	4,000	
Factory maintenance	15,000	
Depreciation – Factory plant and machineries	145,000	

Depreciation –Office equipment	14,000	
Depreciation –Vehicles	95,000	
Insurance expense - factory	12,000	
Utilities expense	36,000	
Transportation expense	24,000	
Interest on bank loans	12,000	
<b>Total</b>	<b>2,702,600</b>	<b>2,702,600</b>

Additional information:

- 75% of the property tax expense is allocated for factory.
- The proportion for utilities expense is two fifth for administration and the remaining for factory.
- Vehicles depreciation for administrative is one fourth of the amount.
- One third of the transportation expense is for selling cost.

You are required to :

- (a) Prepare the Statement of Cost of Goods Manufactured for the year ended 31 December 2012 .(Show calculations)  
(10 marks)
- (b) Prepare an Income Statement for NAMZ Pack and Stack Sdn. Bhd for the year ended 31 December 2012.  
(8 marks)
- (c) Discuss the difference between product cost and period cost.  
(4 marks)

Q2

Syarikat Mak Bah sells a pack of 30 gram curry powder for RM2.00 per unit. The following are details for the sales and expenses in the month of October 2013.

Item	RM
Sales	12,900
Administrative and Selling Expenses	2,350
Rent expenses	800
Packaging expenses	1,100
Milling and Grinding expenses	920
Transportation expenses	650
Salaries expense	2,800
Income from operation	4,280

Assume that the variable costs consists of :

- the whole packaging expenses.
- the whole milling and grinding expenses.
- 20% of administrative and selling expenses.
- 45% of salaries expenses.
- 30% of transportation expenses.

(a) Determine the contribution margin.

(5 marks)

(b) Calculate the break even point in unit sales.

(8 marks)

(c) Assume that the unit variable costs increases by 15%, other data is unchanged.

Calculate the new break even point in units. (Round to the nearest units)

(5 marks)

(d) Illustrate a profit-volume chart indicating the break even point in question Q2(c).

(2 marks)

- Q3** Following are selected data from the Comparative Income Statement and Balance Sheet for Seindah Impian Sdn Bhd for the years ended December 31, 2011 and 2012:

Item	2012	2011
	RM	RM
Net sales (all credit sales)	4,945,000	3,793,000
Costs of goods sold	3,013,000	2,252,500
Gross profit	1,932,000	1,540,500
Sales and Administration expense	567,300	415,000
Interest expense	441,600	393,500
Net income	923,100	732,000
Cash	17,700	27,500
Accounts receivable	30,700	62,500
Inventory	70,000	48,000
Prepaid expenses	11,000	29,000
Total Current Assets	129,400	167,000
Total Long Term Assets	238,000	257,000
Total Current Liabilities	72,000	74,500
Total Long Term Liabilities	203,000	259,800
Common stock, no par	67,000	56,000
Retained earnings	25,400	33,700

- (a) Calculate the acid-test ratio for 2012. (3 marks)
- (b) Calculate the rate of return on assets for 2012. (5 marks)
- (c) Tabulate a horizontal analysis for the Current Assets. (9 marks)
- (d) State **TWO** importance of financial statement analysis. (3 marks)

Q4

Syarikat Delisya, sells two types of health products, product A and product B. The company is planning for its sales forecast and projected collection for the last quarter of the year 2013. The following information are available :

- Sales for each product, A & B for August and September are as follows :

Month Sales	Product A	Product B
August	RM 36,000	RM 55,000
September	RM 53,000	RM 68,000

- Monthly sales for each product are expected to increase by 5 % from the previous month sales.
- Credit sales are forecasted to be 45% of total sales for each product.
- Collection for credit sales are as follows:

60% in the month of sales
35% in the first month after sales
5% in the second month after sales

- (a) Prepare the sales budget for the last quarter of 2013. (8 marks)
- (b) Prepare a schedule of collections from sales for the last quarter of 2013. (16 marks)

Q5

AD Enterprise recently implemented a standard cost system. The company's accountant has gathered the following information needed to do the variance analysis at the end of the month :

Standard cost information	
Direct materials	RM 5.30 per kg
Quantity allowed per unit	100 kg per unit
Direct labour rate	RM 20.00 per hour
Hours allowed per unit	2 hours per unit
Fixed overhead budgeted	RM14,000 per month
Normal level of production	1,400 units
Variable overhead application rate	RM 2.00 per unit
Fixed overhead application rate	RM10.00 per unit
Total overhead application rate	RM12.00 per unit

Actual cost information	
Cost of materials purchased and used	RM499,200
Amount of materials purchased and used	104,000 kg
Cost of direct labour	RM 75,969
Hours of direct labour	3,670 hours
Cost of variable overhead	RM 2,560
Cost of fixed overhead	RM 15,780
Volume of production	1,200 units

- (a) Define the term 'variance'.  
(3 marks)
- (b) State the two objectives in the use of standard costs.  
(3 marks)
- (c) Compute the direct material price variance, given an actual price of RM4.80.  
(2 marks)
- (d) Compute the labour time variance.  
(2 marks)
- (e) Compute the variable overhead controllable variance.  
(4 marks)

**-END OF QUESTION-**