



UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER II
SESSION 2015/2016**

COURSE NAME : PRINCIPLES OF ACCOUNTING
COURSE CODE : BPA10302
PROGRAMME CODE : BPD
EXAMINATION DATE : JUNE/JULY 2016
DURATION : 2 HOURS
INSTRUCTION : ANSWER ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF **FOUR (4)** PAGES

Q1 On 30th September in the current year, a company acquired and placed in service a machine at a cost of RM700,000. It has been estimated that the machine has a service life of five years and a residual value of RM40,000. The company closes its books on 31st December of each year.

Prepare a schedule showing depreciation amounts for the current year and the next 4 years using the double-declining-balance method of depreciation (round your answers to the nearest ringgit).

(20 marks)

Q2 Based on the unadjusted trial balance for Bella's Beauty Salon in **Table Q2** and the adjusting information given below.

Table Q2: Bella Beauty Salon's unadjusted trial balance for 2015

| Bella Beauty Saloon Trial Balance As at 31 December 2015 | | |
|---|----------------|----------------|
| Descriptions | RM | RM |
| Cash | 4,200 | |
| Prepaid Insurance | 1,480 | |
| Shop supplies | 990 | |
| Shop equipment | 3,860 | |
| Accumulated depreciation - shop equipment | | 770 |
| Building | 57,500 | |
| Accumulated depreciation - building | | 3,840 |
| Land | 55,000 | |
| Unearned rent | | 1,600 |
| Long-term notes payable | | 50,000 |
| Bella Hanson, Capital | | 49,860 |
| Rent earned | | 2,400 |
| Fees earned | | 23,400 |
| Wages expenses | 3,200 | |
| Utilities expense | 690 | |
| Property taxes expense | 600 | |
| Interest expense | 4,350 | |
| TOTAL | 131,870 | 131,870 |

Show the adjusting journal entries for Bella's Beauty Salon for each of this additional information:

- (i) An insurance policy examination showed RM1,240 of expired insurance. (3 marks)
- (ii) An inventory count showed RM210 of unused shop supplies still available. (4 marks)
- (iii) Depreciation expense on shop equipment, RM350. (3 marks)

- (iv) Depreciation expense on the building, RM2,220. (3 marks)
- (v) A beautician was late on rental payments, and this RM200 of accrued revenues was unrecorded at the time the trial balance was prepared. (3 marks)
- (vi) RM800 of the Unearned Rent account balance was earned by year-end. (3 marks)
- (vii) The one employee, a receptionist, works a five-day workweek at RM50 per day. The employee was paid last week but has worked four days this week for which she has not been paid. (5 marks)
- (viii) Three months' property taxes, totaling RM450, have accrued. This additional amount of property taxes expense has not been recorded. (3 marks)
- (ix) One month's interest on the note payable, RM600, has accrued but is unrecorded. (3 marks)

Q3 A company established a petty cash fund in March of the current year and experienced the transactions in **Table Q3** affecting the fund during March:

Table Q3: Petty cash transactions for the month of March

| | | |
|-------|----|---|
| March | 1 | Established a RM300 petty cash fund |
| | 5 | Paid RM55 to acquire office supplies |
| | 8 | Reimbursed the company supervisor for RM53 spend on refreshments for contractors |
| | 18 | Paid RM56 for postage |
| | 20 | Paid RM72 for C.O.D charges on merchandise inventory, terms FOB shipping point |
| | 25 | Paid RM60 for cleaning services |
| | 28 | When sorting the petty cash receipts to replenish the fund, the custodian noted that there were receipts totaling RM296 and RM10 cash remaining. Also, a decision was made to reduce the fund by RM50 to a total of RM250 |

Prepare the journal entries to establish the fund, reimburse the fund and to reduce its amount on March 31.

(20 marks)

Q4 The following information in **Table Q4(a)** and **Table Q4(b)** are available for the Edwards Company for its March 31 bank reconciliation:

Table Q4(a): Bank Statement for the Month of March 2015.

| | | | |
|------------------------------|------------------------------------|--|-----------------------------|
| Previous Balance RM10,098 | Total Checks and Debits RM7,805 | Total Deposits and Credits RM11,905 | Current Balance RM15,008 |
| Checks and Debits | | Deposits and Credits | |
| Date | No. Amount | Date | Amount |
| 03/03 | 2874 1,210 | 03/02 | 4,340 |
| 03/11 | 2906 3,850 | 03/27 | 7,270 |
| 03/15 | 2905 170 | 03/31 | 295 IN |
| 03/25 | 2909 725 | | |
| 03/29 | 2908 1,350 | | |
| 03/30 | 500 NSF | | |
| | | | Daily Balance |
| | | | Date Amount |
| | | | 03/01 10,908 |
| | | | 03/02 15,248 |
| | | | 03/03 14,038 |
| | | | 03/11 10,188 |
| | | | 03/15 10,018 |
| | | | 03/25 9,293 |
| | | | 03/27 16,563 |
| | | | 03/29 15,213 |
| | | | 03/30 14,713 |
| | | | 03/31 15,008 |

Note : NSF: A check from a customer, Cook Co. in payment of their account.
IN: Interest earned on the account.

Table Q4(b): Edwards Company's Accounting Record

| Cash Receipts Deposited | | | Cash Disbursement | | | |
|-------------------------|----|---------------------|-------------------|--------|-------------|---------|
| Date | | Cash Debit | Check No. | | Cash Credit | |
| March | 7 | 4,340 | 2905 | | 170 | |
| | 27 | 7,270 | 2906 | | 3,850 | |
| | 31 | 2,090 | 2907 | | 460 | |
| | | | 2908 | | 1,350 | |
| | | | 2909 | | 725 | |
| | | | 2910 | | 340 | |
| | | | | | 6,895 | |
| Cash | | | Acct. No. 101 | | | |
| Date | | Explanation | PR | Debit | Credit | Balance |
| February | 28 | Balance | | | | 9,698 |
| March | 31 | Total Receipts | R4 | 13,700 | | 23,398 |
| | 31 | Total Disbursements | D5 | | 6,895 | 16,503 |

- (i) Prepare the March bank reconciliation for Edwards Company. (20 marks)
- (ii) Prepare the general journal entries to bring the company's book balance of cash into conformity with the reconciled balance as of March 31. (10 marks)

- END OF QUESTIONS -