



**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

**FINAL EXAMINATION  
SEMESTER II  
SESSION 2016/2017**

**TERBUKA**

COURSE NAME : BASIC ACCOUNTING  
COURSE CODE : BPK 10403  
PROGRAMME CODE : BIT  
EXAMINATION DATE : JUNE 2017  
DURATION : 3 HOURS  
INSTRUCTION : ANSWERS ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF FIVE (5) PAGES

- Q1** FixTop Bhd. was set up on 25 August 2014. The following financial transactions in **table Q1** occurred during the month of August 2015, a year after the business was officially opened.

**Table Q1 : Business Transaction of FixTop Bhd in August 2015**

Date	Transactions
1	Owner injected further cash into the business bank account amounting RM35,000
2	Hired Mariam and Yogesh which each of them entitled a monthly salary of RM900 being paid by cheque
3	Bought goods on credit from ZF Trading worth RM4,200
4	Return damage goods to ZF Trading amounting RM300
5	Purchased office furniture worth RM6,000 from Fella Design. The amount of RM2,000 was paid by cheque immediately
6	Cash sales worth RM2,000
7	Bought goods by cash from Gemilang Enterprise worth RM800
8	Returned damaged goods worth RM250 to Gemilang Enterprise
9	Paid RM350 cash to Telekom Berhad for telephone bills
10	Sold goods on credit to Siew Tan worth RM1,800

Required:

- (a) Show the effects on Assets, Expenses, Owner's Equity, Liabilities and Revenues for transactions occurring from August 1 to August 5 only. (10 marks)
- (b) Show the journal entries for transactions occurring from August 5 to August 10 only. (13 marks)

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- Q2** (a) Identify whether the following statements are **TRUE** or **FALSE**.
- (i) Fixed cost is the cost that varies when the level of production changes.
  - (ii) A kilogram of sugar can be defined as a cost unit.
  - (iii) Those costs that can be specifically identified with a particular cost object are variable cost.
  - (iv) Conversion cost is the combination of direct labour cost and manufacturing overhead cost.
  - (v) The cost of a manufactured product generally consist of direct material cost, direct labour cost and manufacturing overhead cost.
  - (vi) Management accounting report is not published for external users.
- (6 marks)

- (b) Explain **THREE (3)** differences between financial accounting and management accounting.

(6 marks)

- (c) Sutera Indah Sdn Bhd manufactures and sells high quality of women apparel made from basic raw material, cotton and silk. The garments are made in two production departments, Design & Cutting department and Sewing department.

Classify the cost items below according to their cost behaviour (fixed cost, variable cost, semi variable cost and step cost).

- (i) Cotton and silk
- (ii) Designer's fees
- (iii) Wages paid to workers in Design & Cutting department and Sewing department
- (iv) Depreciation of sewing machine
- (v) Supervisor's salary
- (vi) Rent of factory building
- (vii) Water and electricity expenses
- (viii) Maintenance and repair cost for sewing machine

(8 marks)

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- Q3** The following is the Trial Balance as at 31 December 2016 extracted from the general ledger of Fortune Enterprise, a company involved in trading cosmetic products since 2010:

**Fortune Enterprise**  
**Trial Balance as at 31 December 2016**

	Debit RM	Credit RM
Capital		245,530
15% Loan from Public Bank		59,000
Machinery	150,000	
Office equipment	60,000	
Accumulated depreciation as at 1 January 2016:		
Machinery		50,000
Office equipment		8,000
Commission received		6,800
Rental received		4,800
Account receivables and account payables	40,000	29,000
Returns	15,000	8,000
Purchases and sales	150,000	391,000
Bank	103,250	
cash	44,550	
Insurance on purchases	43,000	

Fixed deposits	85,000	
Carriage inwards	7,100	
Inventory as at 1 January 2016	42,400	
Water and electricity	9,230	
Telephone and internet	2,200	
Repairs and maintenance	1,500	
Salaries	32,400	
Advertising expenses	16,500	
	<b><u>802,130</u></b>	<b><u>802,130</u></b>

The following are the adjustments to be taken into consideration as at 31 December 2016:

- There was no closing inventory for the year as all products were sold out during the year end stock clearance carnival held by the business.
- Current year depreciation for machinery is 10% per annum straight line method
- Current year depreciation for office equipment is 20% per annum reducing balance method
- Salaries expenses amounting to RM1,100 were accrued while the water and electricity bills was over paid by RM200.
- Fixed deposit was made on 1 July 2016 with an interest rate of 10% per annum.
- Rent received in advance was RM500.
- The owner of Fortune Enterprise took a set of cosmetic products worth RM2,100 for her daughter.
- None of the interest on loan was paid during the year.

You are required to prepare :

- (a) The Statement of Profit or Loss for the year ended 31 December 2016. (18 marks)
- (b) The Statement of Financial Position as at 31 December 2016. (15 marks)

Note: Calculate to the nearest RM



**Q4** Kopi Sedap Sdn Bhd is an exclusive wholesale distributor of 'Kopi Tok Belang'. The coffee is sold in individual packets at RM6.00 each. In developing the company's financial strategy for the year 2015, the company's manager has accumulated all data on projected operation as in **Table Q4** :

**Table Q4 : Sales Volume and Costs**

Expected sales volume	300,000 packets per annum
Variable cost:	
cost of coffee	RM 2.00 per packet
cost of labour	RM 1.00 per packet

selling and distribution	RM 0.50 per packet
administrative variable cost	RM 0.05 per packet
other variable cost	RM 0.12 per packet
Fixed cost:	
administrative expenses	RM 135,000 per annum
other overhead expenses	RM 54,000 per annum

- (a) Calculate the following:
- (i) Break-even point in packet and value (RM)
  - (ii) Total net profit for the year
  - (iii) Safety margin in packet and value (RM)
- (12 marks)
- (b) It is estimated that the cost of coffee will increase by 5% and the total fixed costs is expected to increase by RM 20,000.
- (i) Determine the new selling price if the company wants to maintain the original net profit. Assume that sales volume and other data remain the same.
- (3.5 marks)
- (ii) Determine the new break-even point and margin of safety if the selling price remains at RM 6.00 per packet. Assume sales volume remains the same as before.
- (3.5 marks)
- (c) The manager has decided to reduce the advertising cost by RM 10,000. The main supplier of the coffee has agreed to further discount the cost of coffee by 10% per packet.
- Calculate the company's new net profit if other data remain the same.
- (5 marks)

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- END OF QUESTIONS -