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UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER I
SESSION 2018/2019**

COURSE NAME : REAL ESTATE ACCOUNTING /
PRINCIPLES OF ACCOUNTING

COURSE CODE : BPE 15202 / BPA 10302

PROGRAMME CODE : BPD

EXAMINATION DATE : DECEMBER 2018 / JANUARY 2019

DURATION : 2 HOURS

INSTRUCTION : ANSWER ALL QUESTIONS

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THIS QUESTION PAPER CONSISTS OF **THREE (3)** PAGES

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Q1 The cash for Jackson Valuation Services as at November 30, 2018 indicated a balance of RM6,800. The bank statement however, showed a balance of RM18,000 on the same date. Comparing the bank statement and the accompanying cancelled cheques and memos with the record reveals the following reconciliation items:

- A deposit of RM5,800 is still in transit.
- Outstanding cheques total RM1,500.
- The bookkeeper recorded a RM1,740 cheque as RM17,400 for the payment of current month's rent.
- A deposit of RM400 was credited by the bank for RM4,000.
- A customer's cheque for RM3,700 was returned for nonsufficient funds (NSF).
- The bank service charges is RM60 for the month of November.

Based on the given information:

- (a) Prepare the bank reconciliation for Jackson Valuation Services. (24 marks)
- (b) Determine the necessary journal entries. (6 marks)

Q2 Briyanne, Inc. purchased a computer for RM5,000. During 2016 and 2017, the company recorded total depreciation of RM4,000 on the computer. On January 1, 2018, the company exchanges the computer for a new one, paying RM4,000 cash. The market value of the new computer is RM6,000. Assume the exchange has commercial substance.

Based on the information above:

- (a) Calculate the gain or loss of the exchange. (10 marks)
- (b) Determine the journal entries involved. (10 marks)

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- Q3 Table Q3 shows the unadjusted trial balance for Carissa Valuation Service Company for December 2017.

Table Q3 : Trial Balance as at 31 December 2017

| Carissa Valuation Service Company Trial Balance December 31, 2017 | | |
|---|----------------|-----------------|
| | Debit Balances | Credit Balances |
| Cash | 7,400 | |
| Accounts Receivable | 19,300 | |
| Prepaid Rent | 2,700 | |
| Office Supplies | 1,100 | |
| Equipment | 20,000 | |
| Accumulated Depreciation – Equipment | | 4,000 |
| Accounts Payable | | 3,100 |
| Unearned Revenue | | 2,600 |
| Capital, Carissa | | 40,100 |
| Withdrawals, Carissa | 9,900 | |
| Service Revenue | | 15,400 |
| Salaries Expense | 3,400 | |
| Advertising Expense | 1,400 | |
| Total | 65,200 | 65,200 |

The data needed to determine year-end adjustments are as follows:

- On December 15, Carissa contracted to perform services for a client receiving RM2,600 in advance. Carissa recorded this receipt of cash as Unearned Revenue. As of December 31, Carissa has completed RM1,200 of the services.
- Carissa prepaid two months of rent on December 1.
- Carissa used RM650 of office supplies during the month.
- Depreciation for the equipment is RM500.
- Carissa received a bill for December's online advertising, RM600. Carissa will not pay the bill until January (Use Accounts Payable.)
- Carissa pays its employees weekly on Monday for the previous week's wages. Its employees earn RM5,500 for a five-day workweek. December 31 falls on Wednesday this year.
- On October 1, Carissa agreed to provide a four-month air system cheque (beginning October 1) for a customer for RM2,800. Carissa has completed the system cheque every month, but payment has not yet been received and no entries have been made.

- (a) Distinguish the journal entries for the above adjustments.

(28 marks)

- (b) Prepare an adjusted trial balance for Carissa Valuation Service Company as at December 31, 2017.

(22 marks)

- END OF QUESTIONS -

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