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**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

**FINAL EXAMINATION  
(ONLINE)  
SEMESTER II  
SESSION 2020/2021**

COURSE NAME : FINANCIAL MANAGEMENT  
COURSE CODE : BBP 37303  
PROGRAMME CODE : BBC  
EXAMINATION DATE : JULY 2021  
DURATION : 3 HOURS  
INSTRUCTION : ANSWER ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF **SIX (6)** PAGES

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**TERBUKA**

**PART A****Q1** Bookkeeping is ...

- (a) a business cash management process in a cash flow book to examine cash movements as well as control for high acid test ratios.
- (b) a process of recording business transactions accurately and systematically in the books of account where each transaction will involve two entries, one on the debit side and the other on the credit side.
- (c) a process stores all transaction documentation with references by transaction category and each document is assigned a special code.
- (d) a process of analyzing the ratio of all transactions that occur in an accounting period and reporting the results of the analysis to business management for decision

**Q2** Kim Tyre Workshop started its new account entry on 1<sup>st</sup> June 2020 and set its accounting period to be 9 months. When is the deadline to prepare the Closing Account and Balance Sheet of their store?

- (a) 1<sup>st</sup> Feb 2021
- (b) 31<sup>st</sup> Dec 2020
- (c) 28 Feb 2021
- (d) 1<sup>st</sup> Mac 2021

**Q3** The following are documents involving account entries **except**:

- (a) cash receipt
- (b) debit note
- (c) delivery note
- (d) invoice

**Q4** When a purchase of goods is made on credit, the following documents will be received

- (a) account statement
- (b) credit note
- (c) delivery note
- (d) invoice

- Q5** If the office clerk needs RM3.50 to buy two cups of coffee latte for a guest, the appropriate document to use is
- (a) receipt
  - (b) payment voucher
  - (c) office memo
  - (d) memo
- Q6** Ms Aisyah, a manager at TET Enterprise, took two (2) bottles of shampoo priced at RM23.00 for her own use. The appropriate documents to use to record this transaction are
- (a) receipt
  - (b) payment voucher
  - (c) office memo
  - (d) memo
- Q7** Ms Hajar brought in a vehicle of RM20,000 and Cash at the Bank of RM13,000, Debtors RM3000 and Creditors RM5400. The capital that Ms Hajar has invested is:
- (a) RM30,600
  - (b) RM23,000
  - (c) RM37,400
  - (d) RM8,400
- Q8** Ms Eryna brings in cash in hands of RM7000, Debtors RM450, Creditors RM350, then, Mr Tan's capital invested in the business is
- (a) RM6,900
  - (b) RM7,000
  - (c) RM7,100
  - (d) RM7,800
- Q9** Which of the following statements regarding business liabilities are incorrect
- (a) Business debts that are repayable within an accounting period not exceeding one year are recorded as Current Liabilities
  - (b) A secured Bank Loan is considered a long -term Liability
  - (c) Business debts that have to be repaid over a period of 1 year are recorded as Non -Current Liabilities
  - (d) Bank overdrafts are recorded as Non -Current Liabilities

**Q10** Which of the following is recorded next to the Profit and Loss Account debit?

- I Salary paid
- II Rental received
- III Payment rate
- IV Interest on fixed deposits
- V Bad debts

- (a) II dan IV only
- (b) II, IV dan V only
- (c) I, III dan V only
- (d) All of above

**Q11** In the hotel sector, revenue is projected by multiplying the number of rooms occupied by the room rate. If the hotel with 125 rooms has a 75% occupancy rate. What is the daily revenue when the daily room rate is RM250?

- (a) RM31,250.50
- (b) RM23,437.50
- (c) RM28,125.50
- (d) RM25,000.50

**Q12** Which of the following statements concerning financial management are correct?

- I It is concerned with investment decisions, financing decisions and dividend decisions
- II It is concerned with financial planning and financial control
- III It considers the management of risk

- (a) I and II only
- (b) I and III only
- (c) II and III only
- (d) I, II and III

**Q13** Financial discipline is extremely important in the hospitality business. What does a financial manager do to ensure business units are held accountable to achieving financial targets?

- (a) Communicates sales variances to business unit leaders
- (b) Creates sales forecasts for use in the budget process
- (c) Communicates budget variances to business unit leaders
- (d) Creates cash forecasts for business unit leaders



**Q14** The following balances are taken from the accounting books of Abdul Enterprise for the year ended 31 December 2019.

|                    |        |
|--------------------|--------|
| Sales              | 58,000 |
| Rent received      | 1,200  |
| Operating Expenses | 8,400  |
| Sales Return       | 200    |
| Gross profit       | 24,300 |

Calculate the Percentage of Net Profit on Sales (Net Profit Margin).

- (a) 29.58%
- (b) 29.48%
- (c) 25.43%
- (d) 25.34%

**Q15** What is the meaning of low stock turnover rate?

- I Debt collection is too fast
- II Swap stocks too often
- III Inefficient stock management
- IV Sale of under -selling merchandise

- (a) I dan II sahaja
- (b) I dan IV sahaja
- (c) II dan III sahaja
- (d) III dan IV sahaja

## **PART B**

**Q16** Define the following terms:

- (i) Account
- (ii) Assets
- (iii) Liabilities
- (iv) Income statement
- (v) Expenses account
- (vi) Cash flow
- (vii) Ratio analysis

(15 marks)

**Q17** (a) Define the term financial management and explain on its main aim in the foodservice establishments.

(8 marks)

(b) Explain the major difference between cash and accrual accounting.

(12 marks)

**Q18** (a) What are the differences between Ratio Analysis and Ratio Comparison? Explain briefly about this two (2) terms.

(10 marks)

(b) A restaurant reported the following current assets: cash RM 11,200, credit card receivables RM 808, accounts receivable RM 260, food inventory RM 4,482, and prepaid expenses, RM 1,220. Current liabilities total RM 6,912. Answer the following:

(i) Calculate the current ratio.

(ii) Calculate the quick ratio (acid test ratio).

(20 marks)

**Q19** A fast food restaurant features only three (3) entrée items on its menu with the following cost and selling prices:

| Item | Cost (RM) | Selling Price (RM) |
|------|-----------|--------------------|
| 1    | 2.20      | 6.80               |
| 2    | 3.25      | 8.80               |
| 3    | 3.75      | 9.85               |

(a) Calculate the food cost percentage for each item.

(b) If 50 of each item are sold every day, what will the standard food cost percentage be? What is the contribution margin in RM?

(c) If only 20 each of Items 1 and 3 sold, and 100 of Item 2, what is the contribution margin in RM?

(20 marks)

**- END OF QUESTIONS -**