



**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

**FINAL EXAMINATION  
SEMESTER II  
SESSION 2021/2022**

COURSE NAME : PRINCIPLES OF ACCOUNTING  
COURSE CODE : BPA 11403  
PROGRAMME CODE : BPA  
EXAMINATION DATE : JULY 2022  
DURATION : 3 HOURS

**INSTRUCTIONS**

1. ANSWER **ALL** QUESTIONS.
2. THIS FINAL EXAMINATION IS AN **ONLINE ASSESSMENT** CONDUCTED VIA **CLOSED BOOK**.
3. STUDENTS ARE **PROHIBITED** TO CONSULT THEIR OWN MATERIAL OR ANY EXTERNAL RESOURCES DURING THE EXAMINATION CONDUCTED VIA CLOSED BOOK

THIS QUESTION PAPER CONSISTS OF **SEVEN (7)** PAGES

- Q1 (a)** Logam Sdn. Bhd manufactures metal containers. The data relates to the period ending 31 March 2022 are shown in **Table Q1(a)** below.

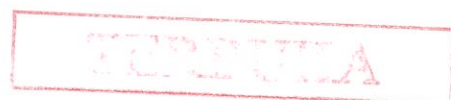
**Table Q1(a) : Costs Information of Logam Sdn. Bhd for the Period  
Ending 31 March 2022**

<b>Items</b>	<b>RM</b>
<b>Inventory, 1 March 2021:</b>	
Raw materials	40,000
Work in progress	15,000
Finished goods	18,000
Purchases – raw materials	350,000
Factory equipment	20,000
Repairs to factory equipment	500
Hire of special equipment	12,600
Assembly workers wages	170,900
Indirect raw material	3,000
Indirect labour wages	12,000
Factory rent	10,000
Depreciation on factory equipment	4,000
Factory electricity and utilities expenses	2,000
Administration expenses	41,600
Selling and distribution expenses	21,500
Factory insurance expenses	1,500
<b>Inventory, 31 March 2022:</b>	
Raw materials	48,300
Work in progress	26,100
Finished goods	20,700

All period cost are not allocated to the factory.

Prepare:

- (i) The manufacturing account for Logam Sdn Bhd at 31 March 2022.  
(16 marks)
- (ii) The schedule of cost of goods sold for Logam Sdn Bhd for 31 March 2022.  
(4 marks)



- (b) Classify whether the items below refer to direct material cost (DM), direct labour cost (DL), or production overhead cost (POH).
- (i) Wages of production line workers.
  - (ii) Maintenance of machineries.
  - (iii) Purchase of direct materials.
  - (iv) Purchase of loose tools.
  - (v) Freight charges on direct materials.
  - (vi) Factory light and power.
  - (vii) Wages of factory supervisor.
  - (viii) Depreciation on plant.
  - (ix) Lubricating oil for machine.
  - (x) Hire of special machine.

(5 marks)

- Q2** Sangkar Biru Sdn Bhd makes small bird houses that sells at RM32.00 each. The company's level of production and sales is 145,000 units. The company has a pre-tax income of RM1,620,450. In addition to RM530,500 of fixed manufacturing overhead and RM169,050 of fixed administrative expenses, the following per unit costs as in **Table Q2** have been determined for each bird house.

**Table Q2: Cost Information for One Unit Bird House**

Cost Item	Amount (RM)
Direct material	8.00
Direct labour	4.00
Variable manufacturing overhead	1.80
Variable selling expense	2.20
<b>Total variable cost</b>	<b>16.00</b>

- (a) Calculate the breakeven point in units of the bird houses. (4 marks)
- (b) Determine Sangkar Biru's margin of safety. (4 marks)
- (i) in units.
  - (ii) in percentage.
- (c) Compute: (3 marks)
- (i) The company's degree of operating leverage. (3 marks)
  - (ii) The percentage of increase in income when sales increase by 20 percent. (2 marks)

- (d) The company has received an offer from a Singaporean company to buy 6,000 bird houses at RM28.00 per unit. The new per unit variable selling cost of the additional units will be RM3.00, and RM24,000 of fixed administrative cost will be incurred. The sale would not affect the domestic sales or their cost.

Analyse whether Sangkar Biru should accept this offer.

(12 marks)

- Q3** (a) Jati Jentayu Sdn Bhd manufactures and sells furniture that has peak sales in the third month. The following information concerns operations for the year 2022.

- The company's single product sells for RM150 per unit.
- All sales are on credit.
- The budgeted sales in units for the four months are shown in **Table Q3(a)**.

**Table Q3(a): Budgeted Sales of Jati Jentayu Sdn Bhd**

Month	Year 2022		
	January	February	March
Budgeted sales (RM)	1,350,000	1,800,000	2,700,000
Budgeted unit sales	9,000	12,000	18,000
Units to be produced	9,200	12,600	18,200

- It takes 3 hours to produce one product. The average wage cost per hour is RM15.
- Sales are collected in the following pattern:
  - 55% in the month the sales are made.
  - The remaining 45%, in the following month.

On 1 January, 2022, the company's balance sheet showed RM75,630 in account receivables, all of which will be collected in the first quarter of the year. Bad debts are negligible and can be ignored.

Prepare the following budgets and a schedule for the first quarter of the year, showing both months and total figures:

- (i) Direct labour budget. (10 marks)
- (ii) Schedule of expected cash collections. (12 marks)
- (b) State **THREE (3)** objectives of budgeting. (3 marks)



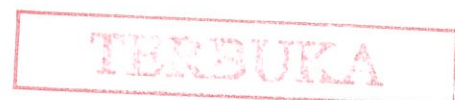
**Q4 (a)** Categorise each transaction in **Table Q4(a)** as either an addition (+) or subtraction (-) to the following activities :

- Operating activity – addition to net income (O+), or subtraction from income (O-)
- Investing activity – addition to cashflow (I+) or subtraction from cash flow (I-)
- Financing activity – addition to cashflow (F+) or subtraction from cash flow (F)

**Table Q4(a) : Journal Entries of Business Transaction**

	<b>Business Transaction</b>	<b>Addition(+)</b>	<b>Subtraction(-)</b>
i.	Cash		
	Common stock		
ii.	Treasury stock		
	Cash		
iii.	Land		
	Cash		
iv.	Depreciation expense		
	Accumulated depreciation expense		
v.	Dividends payable		
	Cash		
vi.	Cash		
	Equipment		
vii.	Bonds payable		
	Cash		
viii.	Loss on disposal of equipment		
	Equipment, net		
ix.	Cash		
	Accounts receivable		
x.	Dividend		
	Cash		

(5 marks)



- (b) State **TWO (2)** examples of non-cash investing and financing activities. (2 marks)
- (c) Khetos Mobile Sdn. Bhd have summarized 2021 activity in the Cash account as follows :

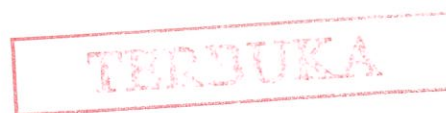
Cash			
Beginning balance	87,200	Operating expenses	46,800
Common stock	60,200	Salaries and wages	64,500
Interest revenue	16,100	Note payable	79,000
Sales revenue	308,400	Income tax expense	7,500
		Accounts payable	101,600
		Dividends	1,400
		Interest	21,700
		Equipment	49,500
		Ending balance	99,900
	<b>471,900</b>		<b>471,900</b>

Prepare Khetos Mobile Sdn. Bhd’s statement of cash flows for the year ended December 31, 2021, using the direct method to report operating activities (14 marks)

- (d) ~~Leleo Shop earned net income of RM67,000 after deducting depreciation of RM10,000 and all other expenses. Current assets decreased by RM4,000, and current liabilities increased by RM8,000.~~

Compute the cashflow provided by the operating activities using the indirect method. (4 marks)

**-END OF QUESTIONS-**



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$$CM = S - VC$$

$$CMR = CM/S$$

$$BEP = FC / CM \text{ per unit}$$

$$BEP(\$) = FC / CMR$$

$$TV = \frac{FC + TP}{CM \text{ per unit}}$$

$$TV(\$) = \frac{FC + TP}{CMR}$$

$$MOS = CS \text{ units} - BEP \text{ units}$$

$$MOS (\$) = CS(\$) - BEP(\$)$$

$$MOS (\%) = \frac{CS - BEP}{CS} \times 100\%$$

$$DOL = CM / \text{Profit}$$

$$\text{Net change in Cash for the period} + \text{Beginning Cash} = \text{Ending Cash}$$

$$\text{Opening inventory} + \text{Additional Cost} - \text{Ending Inventory}$$

$$\text{Prime Cost} + \text{Overhead} + \text{Opening WIP} - \text{Closing WIP}$$

$$\% \text{ payment} \times \text{Credit Sales}$$

$$\text{Units} \times \text{Hours} \times \text{Rate}$$