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**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

**FINAL EXAMINATION  
SEMESTER I  
SESSION 2013/2014**

COURSE NAME : BASIC ACCOUNTING  
COURSE CODE : BWA 20102  
PROGRAMME : 2 BWA  
EXAMINATION DATE : DECEMBER 2013/JANUARY 2014  
DURATION : 2 HOURS AND 30 MINUTES  
INSTRUCTION : ANSWER ALL QUESTIONS

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

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Answer all questions.

- Q1. The following is the trial balance of Jaya Technology Sdn. Bhd. for the year ended 31 December 2013.

**TABLE Q1**

	RM	RM
Freehold land	280 000	
Furniture (at cost)	240 000	
Motor vehicle (at cost)	160 000	
Provision for depreciation - furniture		144 000
Provision for depreciation – motor vehicle		32 000
Issued and paid-up capital (RM1 pershare)		400 000
Share premium		40 000
Retained earnings b/d		30 000
Sales		1 000 000
Cost of sales	700 000	
Electricity and power	22 800	
Telephone and postage	11 200	
Salary and wages	42 000	
Directors remuneration	24 000	
Motor vehicle expenses	15 200	
Rental	33 000	
Debtors	43 400	
Closing stock	76 000	
Cash at bank	14 000	
Creditors		15 150
Provision for doubtful debts		450
	<b>1 661 600</b>	<b>1 661 600</b>

Additional information:

- (i) Corporate tax rate is 25%.  
(ii) Depreciation methods and rates:

Fixed assets	Rates and methods
Furniture	10% on a straight-line basis
Motor vehicles	20% on a reducing balance basis

- (iii) Authorised capital: 500 000 unit ordinary share at RM1 per share.  
(iv) Advanced payment of salary and wages RM2 000.  
(v) Monthly rental expenses is RM3 000.  
(vi) Provision for doubtful debts should be adjusted to RM300.  
(vii) The Board of Director has proposed a final dividend of 8% per share and profit of RM5 000 being transferred to general reserves account.

Required:

Prepare

- (a) The Comprehensive Income Statement for the year ended 31 December 2013. (16 marks)
- (b) The Statement of Financial Position as at 31 December 2013. (12 marks)

**Q2.** Quality Supplier Sdn. Bhd. bought a motor van on 1 January 2010 which costs RM100 000 with a residual value of RM40 000 and estimated useful life of 6 years. The company uses straight line depreciation method. On 2 August 2013, they disposed the motor van for RM55 000. The depreciation policy of the company is based on annually and no depreciation in the year of disposal. Accounting year end on 31 December every year.

Required:

- (a) Prepare the motor van account. (5 marks)
- (b) Prepare the provision for depreciation for motor van account. (5 marks)
- (c) Prepare the disposal account. (5 marks)

**Q3.** Ali Mustaffa (AM) operates a budget hotel in a resort area in Sedili, Kota Tinggi. Depreciation charges on the hotel totaled RM60 000 per year. AM is paying an annual salary of RM30 000 for his maintenance person. He also employs a cleaning team at an annual salary of RM24 000 per year. Taxes for the hotel amounted to RM10 000 per year. Rooms are charged at an average price of RM50 per person per night including breakfast. Cost for laundry service is RM4 per person per night while the cost of food is RM6 per person per night.

Required:

- (a) Determine the number of rentals and sales revenue AM needs to break even. (4 marks)
- (b) If the current levels of rental is 4 000, by what percentage can rentals decrease before AM has to worry about having a net loss? (3 marks)

- (c) AM is considering upgrading the breakfast service to attract more business and increase prices. This will cost an additional RM5 for food cost per person per night. AM feels he can increase the room rate to RM65 per person per night. Determine the number of rentals and the sales revenue he needs to break even if the changes are made.

(4 marks)

- Q4.** The following budgeted sales data relates to BP boutique fashion house for the year 2014:

**TABLE Q4**

Month	RM
May	30 000
June	29 000
July	31 000
August	28 800
September	30 000
October	32 000
November	34 000

All costume is sold on credit to customers. Receipts from customers are expected to be as follows:

- 65% in the month of sale
- 25% in the following month after sale
- 8% in the following two months after sale
- 2% is never paid (bad debt)

The level of closing stocks at the end of each month must equal to 1½ sale for the coming month. Average sales margin is expected to be 30%. Payments for purchases of goods are made in the following month of purchase.

Other expenses:

- Fixed: RM50 000 per month, including depreciation of RM14 000.
- Variable: 10% of sales, and are paid in the month incurred.

Required:

- (a) Prepare the cash budget for the third quarter of 20X3. (10 marks)
- (b) Explain how the cash budget can be used as a tool for planning and control. (2 marks)

**- END OF QUESTION -**