

# Principles of Accounting I – Information about Final Exam (Sem 2, 2022/23)

- There are **5 exam questions** and students need to **answer all of them**. Each question carries 20 marks and has multiple parts.
- Write all answers in the answer booklet provided.
- Do **NOT** use pencil answer exam questions (answers written in pencil will not be graded).
- For all journal entries, brief explanations are **NOT** required.
- Financial calculators and mobile phone can **NOT** be used in the exam.
- Students **MUST** bring their own calculators, sharing is **NOT** allowed (invigilators will **NOT** provide calculators).
- Cheating of any forms will **NOT** be tolerated and will be severely penalized.
- This final exam review is for reference only and does **NOT** apply to the supplementary examination.

Question	Part A: Computation /Journal Entry	Part B: Short- Answer	Coverage
1	14 marks	6 marks	<p><b>Chapter 5: Accounting for Merchandising Operations</b></p> <ul style="list-style-type: none"> <li>• Understand perpetual inventory system.</li> <li>• Understand credit terms and why to offer credit terms to customers.</li> <li>• Be able to analyze and record merchandising operations (e.g., sales and purchases related transactions, credit terms, freight charges) under perpetual inventory system.</li> </ul>

Question	Part A: Computation /Journal Entry	Part B: Short- Answer	Coverage
2	14 marks	6 marks	<p><b>Chapter 6: Inventories and Cost of Sales</b></p> <ul style="list-style-type: none"> <li>• Understand FIFO and Weighted Average Cost methods.</li> <li>• Be able to use FIFO and Weight Average Cost methods to determine cost of goods sold and ending balance of inventory under perpetual inventory system.</li> <li>• Be able to calculate the lower of cost and net realizable value of inventory items.</li> <li>• Be able to analyze the effect of inventory cost increase/decrease on net income and ending balance of inventory.</li> </ul>

Question	Part A: Computation /Journal Entry	Part B: Short- Answer	Coverage
3	14 marks	6 marks	<p><b>Chapter 8: Cash, Fraud, and Internal Controls</b></p> <ul style="list-style-type: none"> <li>• Be able to prepare a bank reconciliation and journalize necessary adjusting entries.</li> <li>• Understand <b>why to employ an internal control system</b> and why to prepare a bank reconciliation.</li> </ul>
4	14 marks	6 marks	<p><b>Chapter 9: Accounting for Receivables</b></p> <ul style="list-style-type: none"> <li>• Understand all transactions related to accounts receivable and notes receivable.</li> <li>• Be able to use the allowance method (percentage or aging of accounts receivables) to record the uncollectible accounts at year end.</li> <li>• Be able to adjust the balance of Allowance for Doubtful Accounts (with unadjusted credit or debit balance) at year end .</li> </ul>

Question	Part A: Computation /Journal Entry	Part B: Short- Answer	Coverage
5	14 marks	6 marks	<p><b>Chapter 10: Long-term Assets</b></p> <ul style="list-style-type: none"> <li>• Be able to record and calculate depreciation of PPEs using the methods of straight-line, units of production, and double-declining balance.</li> <li>• Be able to prepare journal entries to record sales of PPEs.</li> </ul> <p><b>Chapter 11: Current Liabilities</b></p> <ul style="list-style-type: none"> <li>• Be able to journalize different kinds of current liability transactions (including notes payable and its interest).</li> <li>• Understand what is an estimated liability and the features of an estimated liability.</li> </ul>
<b>Total</b>	70 marks	30 marks	

- Write **CLEARLY** & **LEGIBLY** ! Show detailed calculations!
- Short answers should be supported by explanations to show your understanding of the terms and concepts.

**The following topics are excluded:**

- All appendixes.
- “Decision Analysis” section at the end of each chapter.
- Financial ratios at the end of each chapter.
- Payroll liabilities in Chapter 11.

# Important Notes

- **Unauthorized articles/items** (mobile phones/digital watches) must be powered off and placed in your bag, together with all paper notes.
- Your bag should be placed at the location designated by the Chief Invigilators /Invigilators.

**NON-COMPLIANCE WITH THE ABOVE IS CONSIDERED AS VIOLATION OF THE ACADEMIC REGULATIONS.**

- Students are **NOT allowed to leave** the examination venue during the **first 30 minutes** and the **last 15 minutes**, and **cannot leave without** the **permission** of the Chief invigilator.

## **Exceptions:**

- Going to the washroom (one at a time).
- Students do not feel well to complete the exam.

**NO CHEATING!** There will be serious consequences if found.