

1. Yong is a manager in a limited company. He also owns a few of its shares. Why has he been looking at its most recent financial statements?
 - A To discover the profit made by his department as he might receive a bonus
 - B To find out if the company made a profit, making his job more secure
 - C To know if dividends will increase over the incoming years, improving his income
 - D To see if the company has a good reputation, increasing the value of his share

2. Which of the following double entries are correct?

| | <u>Transaction</u> | <u>Account debited</u> | <u>Account credited</u> |
|-----|--|------------------------|-------------------------|
| I | Bought stationery on credit for office use | Stationery | Other Payable |
| II | Insurance paid for owner's residence by the firm's cheque | Insurance | Bank |
| III | The owner brought in his motor van for the firm's use | Motor Van | Drawings |
| IV | A cash refund for the overpayment of motor expenses was received | Cash | Motor Expenses |

- | | |
|-----------|-----------|
| A I, II | B I, IV |
| C II, III | D III, IV |

3. A jewellery retailer marks up his goods by 100%. He provided the following information:

| | RM |
|-------------------|--------|
| Sales | 68,200 |
| Discount received | 1,080 |
| Net profit | 18,395 |

What was the total of his expenses?

- | | |
|-------------|-------------|
| A RM 14,625 | B RM 16,785 |
| C RM 48,725 | D RM 50,885 |

4. Which statements about trade discount are **incorrect**?

- I It is debited to the supplier's account
- II It is only given if the invoice is paid within the period allowed by the supplier
- III It is shown as a deduction from the price of the goods on an invoice
- IV It is used to encourage bulk buying

- | | |
|----------|-----------|
| A I, II | B I, III |
| C II, IV | D III, IV |

5. Alex issued debit notes in August and entered them in the correct book of prime entry. How was the total of this book of prime entry recorded in the general ledger at the end of August?
- A Credited to the Purchases Returns account
 - B Debited to the Sales Returns account
 - C Credited to the Sales account
 - D Debited to the Purchases account

6. The following transactions were entered in Cash Book:

| | RM |
|---------------------------------|-------|
| Cheques paid to suppliers | 2,000 |
| Cheques received from customers | 3,500 |
| Cash withdrawn by owner | 500 |

What would be the closing bank balance in the Cash Book if the opening bank balance was RM 2,500?

- A RM 3,500 (Dr)
 - B RM 3,500 (Cr)
 - C RM 4,000 (Dr)
 - D RM 4,000 (Cr)
7. Below is the appropriate payments analysis of petty cash transaction. Which of the following is **incorrect**?

| <u>Transactions</u> | <u>Analysis of payments</u> |
|----------------------------|-----------------------------|
| A Paid hotel accommodation | Travelling expenses |
| B Purchased envelope | Postage |
| C Refund to debtors | Others |
| D Refreshment | Office expenses |

8. On the first day of his accounting year, Jason purchased a new machine costing RM 20,000. On that date his old machine had a carrying amount of RM 6,000. Jason was agreed RM 4,500 for the old machine in part exchange. He later paid the balance by cheque. Machinery is depreciated at 20% per annum. How much should be charged to Jason's income statement for the year?

- A RM 1,500
 - B RM 2,500
 - C RM 4,000
 - D RM 5,500
9. Annual rental income due from Kumar (a tenant) is RM 3,600. At the start of the year, Kumar had prepaid rent of RM 900. At the end of the year, he owed two month's rent. How much rent was received from Kumar during the year?

- A RM 2,100
- B RM 3,300
- C RM 3,900
- D RM 5,100

10. A business has received a bank statement. The bank statement shows the following entries:
- I A cheque issued to a credit supplier
 - II A cheque received from a credit customer
 - III Direct debit
 - IV Standing order
- Which items appear in the debit column of the bank statement?
- A I
 - B II
 - C I, III
 - D I, III, IV
11. A Trial Balance fails to agree. The credit column totals RM 10,000. Two errors are then found:
- Sales Journal has been overcast by RM 100;
 - Goods sold to Ong for RM 200 have been incorrectly debited to Wong.
- What is the total of the debit column of the Trial Balance?
- A RM 9,700
 - B RM 9,900
 - C RM 10,100
 - D RM 10,300
12. P, Q and R are in a partnership. The total of their current accounts at the start and the end of the year is RM 18,000 and RM 32,000 respectively. Total drawings for the year amount to RM 22,000 and total of partners' salaries paid are RM 13,000.
- What is the profit to be shared for the year?
- A RM 5,000
 - B RM 14,000
 - C RM 23,000
 - D RM 36,000
13. When a partnership is dissolved, in which of the following orders should its liabilities be paid according to the partnership act?
- A Outside debts → Loan from partners → Amount due to partners on capital accounts
 - B Loan from partners → Outside debts → Amount due to partners on capital accounts
 - C Amount due to partners on capital accounts → Outside debts → Loan from partners
 - D Outside debts → Amount due to partners on capital accounts → Loan from partners
14. Which of the following are revenue expenditure for a club?
- A Clubhouse maintenance, Motor vehicles, Meeting expenses
 - B Refreshment expenses, Decoration to clubhouse, Installation cost of computer
 - C Donation to charity, Purchases of food and snack, Staff salaries
 - D Barman wages, Renovation to clubhouse, Honorarium

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20. The following accounts are related to a purchase of a partnership business:

In the books of buyer:

| Business Purchase | | | |
|--------------------------|--------|---------------------|--------|
| | RM | | RM |
| W | 32,000 | Assets — taken over | 38,000 |
| Liabilities — taken over | 5,200 | | |
| Y | 800 | | |

In the books of seller:

| Realisation | | | |
|-------------------------|--------|----------------------------|--------|
| | RM | | RM |
| Assets (to be realised) | 30,000 | Liabilities (to be repaid) | 5,100 |
| Z | 7,100 | X | 32,000 |

What does the X indicated in the above account and what will be the subsequent result obtained from Y in the above account?

| <u>X</u> | <u>Y</u> |
|---------------------|--------------------------|
| A Vendor | Goodwill |
| B Buyer | Goodwill |
| C Buyer | Gain On Bargain Purchase |
| D Business Purchase | Gain On Bargain Purchase |