- 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?

	Transaction	Account debited	Account credited
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	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:

$\mathbf{n}$	N 4	
к	IVI	

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Cash withdrawn by owner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?

	<b>Transactions</b>	Analysis of payments
A	Paid hotel accommodation	Travelling expenses
В	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: 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 I, III C 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? RM 9,700 A 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? B RM 14,000 A RM 5,000 D RM 36,000 C RM 23,000 13. When a partnership is dissolved, in which of the following orders should its liabilities be paid according to the partnership act? Outside debts → Loan from partners → Amount due to partners on capital accounts A Loan from partners → Outside debts → Amount due to partners on capital accounts B C Amount due to partners on capital accounts  $\rightarrow$  Outside debts  $\rightarrow$  Loan from partners Outside debts → Amount due to partners on capital accounts → Loan from partners D Which of the following are revenue expenditure for a club? 14. Clubhouse maintenance, Motor vehicles, Meeting expenses A Refreshment expenses, Decoration to clubhouse, Installation cost of computer B Donation to charity, Purchases of food and snack, Staff salaries C

Barman wages, Renovation to clubhouse, Honorarium

D

15.												indirect or space of			t nee	d to	be
	I	Rer															
	II		urano	ce													
	Ш		verti														
	IV			_	lectric	ity											
	V	Sal	esme	en sa	laries												
	A	Ţ	II,	IV					В	I.	II	II, IV					
	C		II,		V				D			II, IV, V					
		-,	,	,							,	,					
16.	Wh	Which of the following descriptions relating to bills of exchange are correct?															
	I	Re	bate	will	receiv	e wh	en a l	oill is re	newed								
	II	Int	erest	allo	wed to	o a dr	awee	when e	arly reti	ring	g of	f a bill					
	III	Di	scou	nting	g charg	ge is (	debite	ed to the	drawer	's e	хре	ense acco	unt				
	IV	No	oting	cha	ge on	a dis	honoı	ared bill	is alway	ys ł	oori	ne by drav	wee				
	A	I,	II						В	I	, I	IV					
	C		III						D	H	I, I	IV					
17.	Which of the descriptions relating joint venture transactions is incorrect?																
	A	A Transfer of goods is not recorded as it does not affect the venture business															
	В	B Cash remittance or payments are recorded in Memorandum Joint Venture account															
	C		debit nture		ance o	f Joir	nt Vei	nture ac	count in	dic	ate	s the vent	urer is to	o recei	ve fro	m an	other
	D	M	emoi	rand	um Jo	int V	entur	e accou	nt is the	na	ıtur	re of Inco	me Stat	ement	and o	ombi	nes
		the	e trar	isact	ions o	fallv	ventui	rers									
18.	Th	2 92	oda s	ont t	o bran	oh h	ı, hanı	d office	was inv	nice	ed :	at cost pli	ıs 20%	The br	anch	inven	torv
10.		The goods sent to branch by head office was invoiced at cost plus 20%. The branch inventory was at invoiced price RM 30,000 and the head office inventory was at cost RM 60,000 at the															
		end of the reporting period. What was the amount of closing inventory in the combined															
									cial Pos				5	.01)			
						rtaten	icht C	JI I IIIIII									
	A		M 75							3		M 80,000					
	C	R	M 85	,000	ļ				1	)	KI	M 90,000					
19	р	Rhd	acar	ired	Oin's	busii	ness v	with the	price o	f R	М	150,000	The pur	rchase	price	consi	sted
.,		P Bhd acquired Qin's business with the price of RM 150,000. The purchase price consisted of RM 30,000 cash, RM 50,000 10% loan notes and the balance of RM 70,000 was the															
		ordinary shares of RM 1 each issued at a premium of RM 2.50.															
									to Qin?			<del>-</del>					
	A		0,000						В		6.6	667					
	C		8,000						D			000					
	C	-	.,	***					_	~	-,0						
									- 5 -								

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

In the books of buyer:

*** *	
Rucinece	Purchase
Dusiness	1 ulchase

Business I memor					
AND PROPERTY.	RM		RM		
W	32,000	Assets — taken over	38,000		
Liabilities — taken over	5,200	19 g 11 .			
Y	800				

In the books of seller:

D .		
Real	isa	tion
		CIOII

	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?

	$\underline{\mathbf{X}}$	$\underline{Y}$
A	Vendor	Goodwill
B	Buyer	Goodwill
C	Buyer	Gain On Bargain Purchase
D	<b>Business Purchase</b>	Gain On Bargain Purchase