**SINGAPORE POLYTECHNIC**

**EP0709/BA9026 Accounting**

**MOCK TEST FOR Mid-Semester Test**

Time Allowed: 1 Hour + 10 minutes reading time

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Instructions to Candidates:

1. Write your admission number on the attached answer template provided.
2. Answer all questions in ink.
3. This continual assessment consists of three questions as follows:

Question 1 25 marks

Question 2 20 marks

Question 3 5 marks

Total 50 marks

=======

4. This continual assessment consists of 3 pages.

**Question 1**

The following are the transactions of Zisai Pte Ltd for the month of March 2021:

|  |  |  |
| --- | --- | --- |
| March | 1 | Issue 50,000 ordinary shares at $2 each to Zisai’s family members in exchange for cash which was deposited to the business bank account. |
|  |  |  |
|  | 7 | Bought inventory for $23,000 on credit from Lim Pin. |
|  | 10  12 | Sold inventory for $31,000 on credit to Shawn. Cost of inventory sold was $11,000.  Return $3,000 inventory to Lim Pin due to goods damaged. |
|  | 17 | Shawn returned $5,000 of the inventory due to wrong specifications. Cost of inventory return was $1,500. |
|  | 21 | Bought office equipment $12,000 by cash. |
|  | 25 | Paid rental $3,000 by cash. |
|  | 29 | Received from Shawn $13,000 being partial settlement of amount owing. |

**Required**

1. Prepare the journal entries for the above transactions. Narration is not required.

(20 marks)

1. Indicate the effect of transactions dated **1 March to 10 March** on the accounting equation using the following tabular headings: (Write your answers on the attached answers template).

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Assets = Liabilities + Shareholders’ Equity**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Cash | + | Inventory | + | Accounts Receivable, Shawn | = | Accounts Payable, Lim Pin | + | Ordinary share capital | + | Sales Revenue | - | Cost of Sales |  |
| March 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| March 7 |  |  |  |  | \_\_ |  |  |  |  |  |  |  |  |  |
| March 10 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

(5 marks)

**(Total: 25 marks)**

**Question 2**

The following accounts are taken from the general ledger of Kenny Pte Ltd for the month of February 2022:

|  |  |  |  |
| --- | --- | --- | --- |
| Kenny Pte Ltd | | | |
| Trial Balance as at 28 February 2022 | | | |
|  | **Debit ($)** | | **Credit ($)** |
| Cash | 119,700 |  |  |
| Ordinary Share Capital |  |  | 90,000 |
| Office Equipment | 8,000 |  |  |
| Accounts Payable, Erico Trader |  |  | 8,000 |
| Prepaid advertising | 3,800 |  |  |  |
| Supplies | 2,200 |  |  |  |
| Unearned rental |  |  | 6,000 |
| Inventory | 14,500 |  |  |
| Accounts Payable, Tanny Trading |  |  | 10,900 |
| Sales revenue |  |  | 15,000 |
| Cost of Sales | 3,000 |  |  |
| Bank loan |  |  | 40,000 |
| Accounts Receivable, Thomas | 7,000 |  |  |
| Sales Returns | 4,000 |  |  |
| Utilities Expense | 2,200 |  |  |
| Rent Expense | 5,500 |  |  |
|  | **169,900** |  | **169,900** |

**Required:**

1. Prepare a Statement of Profit or Loss for Kenny Pte Ltd for the month ended 28 February 2022.

(10 marks)

1. Prepare a Statement of Financial Position for Kenny Pte Ltd as at 28 February 2022.

(10 marks)

**Total: 20 marks**

**Question 3**

The owner of Heng Heng Trading Pte Ltd, Henry brought his family for dinner at Marina Bay Sands and the bill for the dinner amounted to $400. He asked his staff to treat it as a business entertainment expense. Identify the accounting concept that has been violated and briefly explain why it has been violated.

**Total: 5 marks**

* **End of Paper -**