

Foon Yew High School Kulai
2021 Graduation Examination
Senior Three Art and Commerce 1,2 (Group A)
Book Keeping and Accounts

Date: 26-10-2021
Time: 08:30a.m.-10:00a.m.
(1 $\frac{1}{2}$ hours)

INSTRUCTIONS TO CANDIDATES

1. This subject comprises two parts:

Part 1: Multiple-choice questions (10%)

Part 2: Written questions (90%)

2. Part 2 consists of two sections:

Section A (Compulsory): attempt **all** the two questions (60%)

Section B (Elective) : attempt any **one** of the two questions (30%)

You are required to attempt **three** questions altogether.

3. Do not copy the questions, but the answer to each question should be clearly numbered.

4. Workings must be shown.

5. Begin each answer on a fresh page. Otherwise mark will be deducted.

6. Non-programmable electronic calculators may be used for calculation.

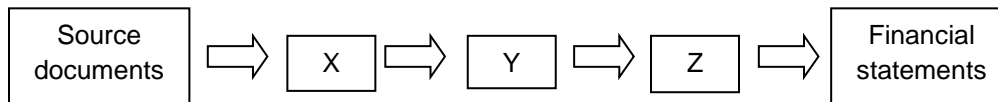
7. Use only **blue** and **black** ink to write your answers.

DO NOT TURN OVER THIS PAGE UNTIL YOU ARE TOLD TO DO SO.

Name: _____ () **Class:** Senior Three AC () **Student ID:** _____

Part 1: Multiple-choice questions (10%)

- Which of the following errors will **not** affecting Trial Balance?
 - Wages account was overstated by RM 20.
 - Purchases RM 540 was posted in both accounts as RM 405.
 - Cheque payment of RM 150 for rental was entered only in Cash Book.
 - Purchases of RM 700 from Alice was posted to the debit side of Arica's account
- Complete the following accounting cycle:



	X	Y	Z
A.	Journals	Trial balance	Ledgers
B.	Ledgers	Journals	Trial balance
C.	Journals	Ledgers	Trial balance
D.	Trial balance	Ledgers	Journals

- At the end of an accounting period, a business had account receivable of RM 20,000 and an opening allowance for doubtful debts of RM 780. It decided to maintain the allowance at 3%.
What was the amount posted to the Profit and Loss account in the General Ledger?
 - RM 600 was debited
 - RM 600 was credited
 - RM 180 was debited
 - RM 180 was credited
- "In ABC Company's Purchases Ledger, there is a debit balance of RM 1,750 in Harry's account."*
What does this mean?
 - ABC Company owed RM 1,750 to Harry.
 - Harry owed RM 1,750 to ABC Company.
 - Refund RM 1,750 by Harry.
 - ABC Company purchases goods from Harry.
- Circle the **correct** answer in pair list below:

A.	Real Account	Investment
B.	Nominal Account	Capital
C.	Personal Account	Loan from Alin
D.	Impersonal Accounts	Account Receivable

6. If goodwill is to be created and then immediately written off, the correct method of entering this in the account would be:

	Debit	Credit
A.	Current (in new profit ratio)	Current (in previous profit ratio)
B.	Capital (in new profit ratio)	Capital (in previous profit ratio)
C.	Capital (in previous profit ratio)	Capital (in new profit ratio)
D.	Capital (in previous profit ratio)	Current (in new profit ratio)

7. Which of the following can be classified as a Revenue Expenditure?

- A. Petrol cost of travelling B. Purchases of Sport Equipment
C. Extension of warehouse D. Legal cost of buying a new club house

8. The books of a firm were as follows:

	RM
Inventory 1 January 2020	1,000
Inventory 31 December 2020	2,000
Total Purchases	45,000
Mark up	25%

Calculate the total gross profit in the year 2018.

- A. RM 14,000 B. RM 13,000 C. RM 12,000 D. RM11,000

9. For a manufacturing firm, the cost of hire of production machinery should be recorded as_____.

- A. Direct expenses B. Distribution expenses
C. Cost of raw materials D. Indirect manufacturing cost

10. How does a major donation received by Polo Club for building a new swimming pool will be recorded?

- A. Added to accumulated fund as capital receipts
B. Added to accumulated fund as revenue receipts
C. Added to income and expenditure as capital receipts
D. Added to income and expenditure as revenue receipts

Part 2: Written Questions (90%)

Section A (Compulsory): attempt all the two questions (60%)

Question 1:(30%)

Mr Steven and Miss Goh are business partners in SG Enterprise. The business Trial Balance as at 31 July 2021 is as follows:

Trial Balance as at 31 July 2021

	Debit	Credit
	RM	RM
Partner Capital (1 August 2020): Mr Steven		80,000
: Miss Goh		40,000
Partner Current: Mr Steven		3,520
: Miss Goh	1,754	
Drawings: Mr Steven	20,400	
: Miss Goh	28,000	
Gross Profit		105,200
Discount Received		750
Workers' Salary	16,750	
Administration expenses	16,400	
Sales Expenses	14,000	
Vehicles (cost)	52,000	
Furniture (cost)	15,000	
Accumulated Depreciation on Vehicles		25,200
Accumulated Depreciation on Furniture		9,000
Account Receivable and Account Payable	69,766	38,600
Bank	68,200	
	302,270	302,270

Additional information:

- Inventory at 31 July 2021 is RM 24,800 at cost and RM 24,000 at net realisable value.
- Mr Steven's annual salary is RM 12,000 and Miss Goh's half yearly salary is RM 10,000.
- The cost of the Vehicles includes a new vehicle purchased on 1 October 2020 at the price of RM 12,000.
- Accumulated depreciation of vehicles is 20% per annum on cost and accumulated depreciation of furniture is 10% per annum on written down value.
- Sales expenses unpaid is RM 1,400 and RM 900 administration expenses was paid in advance.
- On 1 May 2021, in an effort to strengthen the business financial standing they agreed:
 - Mr Steven increased his capital by transferring RM 4,000 from his current account.
 - Mr Steven withdrew RM 10,000 from his capital as a loan to partnership.
- The partnership agreement are as follow:
 - Profits and losses are shared according to their initial Capital ratio.
 - Miss Goh's commission is RM 300 per month.
 - Interest on capital is 6% per annum.
 - Interest on drawings is 4% per annum according to the period taken.
 - Interest on loan from partner is 5% per annum

You are required to prepare:

- Income Statement (extract) for the year ended 31 July 2021 (25%);**
- Partner Capital (5%)**

Question 2:(30%)

Faya Company has a branch in Kulai where a full set of books are kept. All goods are purchased by the head office and sent to the branch at cost plus 33.33%.

The following are the Trial Balance of both Head Office and Branch as at 31 December 2020:

	Head Office		Branch	
	DR (RM)	CR (RM)	DR (RM)	CR (RM)
Account Receivable	55,000		9,200	
Account Payable		43,000		--
Inventory (1 January 2020)	15,000		--	
Sales		475,000		285,000
Salaries	13,900		10,500	
Goods Sent to Branch (at selling price)		200,000		--
Purchases	580,000		--	
Advertising	6,000		--	
Goods Received from Head Office (at selling price)			195,000	
Investment	673,000		104,900	
Bank	40,900			5,400
Capital		700,000		--
Current	34,200			29,200
	1,418,000	1,418,000	319,600	319,600

Additional information:

(i) The inventory was valued at 31 December 2020 as follow:

Head office RM 25,000 (at cost) and Branch RM 5,300 (at selling price)

(ii) Advertising paid by head office should be apportioned between the head office and branch in proportion to the sales.

(iii) Head office's salaries were still outstanding RM 6,500; Branch's salaries prepaid RM 2,000.

(iv) RM 5,000 of goods sent to branch on 31 December 2020 had not been received at the end of the year.

You are required to prepare:

Columnar Income Statement of the Head Office and Branch (including a "combined" column) for the year ended 31 December 2020.

Question 3: (30%)

The following transactions took place during the month of May:

May 1 Balance in petty cash box.

- 5 Paid toll and parking fees RM 40.
7 Bought envelopes for office use RM 7.
8 Purchases a laminating machine RM 110.
9 Paid taxi fare to and from client's office RM 50.
10 Paid telephone and multimedia bill RM 85.
12 Bought stamps 25 pieces of RM 0.60 each.
13 Nana drew out cash for her son birthday's gift of RM 68.
17 Paid for hotel accommodation RM 98.
20 Bought soft drinks for staff RM 48.
22 Refunded RM 80 to Sam, a debtor, because of his overpayment.
24 Bought photocopy papers and files RM 36.
27 Motor vehicles maintenance services RM 180.
28 Paid registered letter RM 10.
30 Bought hand sanitizer for visitor RM 54.

You are required to:

- (a) draw up Petty Cash Book for the month of May 2021 by using the following expenses analysis columns:**

- i. Stationery ii. Postage iii. Traveling and Motor Expenses iv. General Expenses (27%)**
(b) post the entries to the Ledger accounts in the General Ledger–Stationery and Sales Ledger.
(3%)

***ALL the FOLIO must be shown.**

Note: Copy the following format for your answer in item (a):

[illegible]

Question 4: (30%)

Big Time Bhd was registered with an authorised capital of RM 150,000, divided into 50,000 6% Preferred Shares of RM 1 each and 100,000 ordinary shares of RM 1 each, to acquire the partnership firm Small Time & Co. at 31 December 2020, whose Statement of Financial Statement at the date of acquisition was as follows:

<u>Assets</u>	RM
Cash at bank	3,500
Inventory	42,000
Account Receivable	9,800
Fixtures and Fittings	3,990
Plant	1,700

Liabilities and Capital

Account Payable	9,000
Capital	51,990

The purchase agreement provided that all the assets other than cash at bank were be taken over at the following values:

Inventory RM 40,000; Account Receivable, less 5% Allowance for doubtful debts; Fixtures and Fittings and Plant, as per their Statement of Financial Position values. The vendor were to pay all the liabilities of their business.

The purchase price was agreed at RM 70,000 payable by Preferred Share and Ordinary Share in equal amount and with RM 10,000 cheque.

The preliminary expenses paid by Big Time Bhd were RM 750.

You are required to prepare:

Show how these transactions would appear in Big Time Bhd Journal (Including cash entries).