

CHONG HWA INDEPENDENT HIGH SCHOOL, KL
THE UNIFIED TRIAL EXAMINATION 2021
SENIOR MIDDLE THREE ARTS/COMMERCE
BOOK-KEEPING AND ACCOUNTS
(SE 15)
PAPER 2 SUBJECTIVE QUESTIONS

Date: 30 October 2021
(Saturday)
Time: 8 : 45 am – 11 : 45 am
(180 minutes)

INSTRUCTIONS TO CANDIDATES

- This subject comprises two papers:

Paper 1:	Multiple-choice questions	(20%)
Paper 2:	Subjective questions	(80%)
- Paper 2 consists of two sections:

Section A (Compulsory):	attempt all the three questions (60%)
Section B (Selective) :	attempt any one , but not more than one from the three questions (20%)

You are required to attempt **four** questions altogether.
- Workings must be shown.**
- Do not copy the questions, but the answer to each question should be clearly numbered.
- Begin each answer on a fresh page.**
- Use only a **blue** or **black** ink for writing.
- Electronic calculators may be used for calculation.
- Paper 2 consists of 11 printed pages.

Do Not Turn Over This Page Until You Are Told To Do So
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Section A: Compulsory Questions (60%)

Attempt *all* the questions in this section.

1. Henry Trading keeps the Petty Cash Book on the imprest system for expenses below RM100, with a float of RM420 every month to meet daily business operation. Record the following transactions in the month of September 2021.

2021		RM
Sep. 1	Petty cash in hand	40
1	Received a cheque from chief cashier to restore imprest	?
3	Petrol and toll fares claimed by salesman	37
5	Bought highlighter and marker pens	22
8	Purchased goods for resale	990
9	Bought sticky notes and A4 papers	64
11	Train tickets to meet customers	12
17	Repairs on furniture	50
19	Paid for company car wash	15
26	Parcel and courier service	9
29	Refunded to Accounts Receivable – Jane for overpayment	40
30	Refreshment of customers	29

Notes :

Last used payment voucher was “233”.

Folio number of Cash Book and Sales Ledger are CB2 and SL9 respectively.

Required:

- (a) Write up a Petty Cash Book up to 1 October 2021 (showing reimbursement at the beginning of the month) by using the analysis columns as listed below:
- Travelling
 - Stationery
 - Postage
 - General Expenses
 - Sundries
- (13%)

(Remark: You should answer according to the format of petty cash book on the **next page**)

- (b) Post the appropriate accounts in the General Ledger.
(Remark: Closing account is **NOT** required.) (5%)
- (c) State the books of original entry and document used for the following transaction:

Sept. 8 Purchased goods for resale

Books of Original Entry	Document used

(2%)

(Total: 20%)

FORMAT OF PETTY CASH BOOK

Copy the following format for your answers in item (a) of the previous page:

[illegible]

2. Lee, Wan and Jia were in partnership and shared profits and losses in the ratio of 5:3:2 respectively. The partnership was in financial difficulties, and was dissolved on 1 September 2021 when the Statement of Financial Position was as follows:

Lee, Wan and Jia			
Statement of Financial Position as at 31 August 2021			
	RM	RM	RM
<u>Non-Current Assets</u>			
Premises	100,000		
Motor Vehicles	30,000		
Office Equipment	10,000		
			140,000
<u>Current Assets</u>			
Inventory	7,000		
Accounts Receivable	4,000		
Cash at bank	3,000		
			14,000
Total Assets			154,000
<u>Owners' Equities</u>			
Capital - Lee	60,000		
- Wan	40,000		
- Jia	10,000		
			110,000
Current Account - Lee	18,000		
- Wan	15,000		
- Jia	(9,000)		
			24,000
			134,000
<u>Current Liabilities</u>			
Accounts Payable	15,000		
Accrued Salary	5,000		
			20,000
Total Equity and Liabilities			154,000

Additional information:

- (i) The premises were sold for RM70,000 and office equipment was realized for RM8,000.
- (ii) One of the motor vehicle was taken over by Lee at agreed value of RM15,000 (Book value RM20,000), and the other one was sold for RM5,000.
- (iii) The inventory was taken over by Wan at cost less 20%.
- (iv) The accounts receivable paid the amount owing, less discounts allowed of RM200 and bad debts RM100.
- (v) Dissolution expenses amounted to RM1,200.
- (vi) The accounts payable were paid the full amount of RM14,700.
- (vii) Other liabilities were paid off in full.
- (viii) The current account balances were transferred to their capital accounts before making any adjustment.
- (ix) Partners brought in fund to meet any of his capital deficiency.

(a) You are required to prepare the following accounts:

- | | |
|--|------|
| (i) Realisation | (8%) |
| (ii) Bank | (4%) |
| (iii) Partners' Capital (in columnar form) | (4%) |

(b) Based on your answer (a)

- (i) What rules should be applied if one of the partner is insolvent and unable to contribute amount of his deficiency in his capital? (2%)
- (ii) Calculate the amount of deficiency that should be borne by the remaining partners. (2%)

(Total: 20%)

3. Evergreen Sdn Bhd was registered with an authorized capital of RM500,000 consisting of 100,000 6% Preferred Shares of RM2 each and 300,000 Ordinary Shares of RM1 each. The following information are extracted from the company's book on 31 December 2020:

	RM	RM
Issued and fully paid-up Capital		
- 6% Preferred Shares		200,000
- Ordinary Shares		120,000
Gross Profit		78,000
8% Loan Notes (Secured on Freehold Premises)		50,000
Loan Notes interest	3,000	
Retained Profit 1 January 2020		58,100
Freehold Premises	250,000	
Rental Income		5,000
Motor Vehicle	22,000	
Accumulated Depreciation of Motor Vehicle		8,000
Investment (Quoted) at cost (market value RM180,000)	200,000	
Investment Income		9,000
Accounts Receivable and Payable	10,600	25,600
Inventory 31 December 2020	12,000	
Staff Welfare Fund		8,000
General Reserve		16,000
Interim Dividend : Preferred Shares	10,000	
Ordinary Shares	6,000	
Wages and Salaries	21,000	
Bank	26,600	
Administrative expenses	18,000	
Allowance for Doubtful Debts		1,500
	579,200	579,200

Additional information:

- (i) The Allowance for doubtful debts was to be increased to RM1,800
- (ii) Wages and Salaries included RM4,600 repairs expenses.
- (iii) Annual income from investment amounted RM15,000
- (iv) Depreciation of Motor Vehicle at 10% per annum on book value
- (v) Audit fees amounted to RM8,500
- (vi) Loan Note interest is still owing
- (vii) The directors of the company declared:
 - to pay final Preferred Shares dividend
 - a final Ordinary Shares dividend of RM0.15 per share
 - increase general reserve to RM25,000
 - create an Assets Replacement Reserve RM10,000
 - transfer RM4,000 to staff welfare fund

REQUIRED:-

- (a) Prepare the following financial statements:
 - (i) Income Statement for the year ended 31 December 2020 (10%)
 - (ii) Statement of Changes in Equity for the year ended 31 December 2020 (6%)
- (b) The directors of the Evergreen Sdn Bhd decided to increase its issued share capital by offering a further 80,000 Ordinary Shares of RM1 each payable immediately in full on application.

Applications were received on 1 May 2021 for 120,000 shares, The application monies for 40,000 shares were returned to those applicants to whom no shares were allotted on 15 May 2021.

You are required to prepare Journal entries to record the issue of shares of the company.
(without narrations) (4%)

(Total: 20%)

Section B: Elective Questions (20%)

Attempt any **one** of the three questions in this section.

4. Ji Min is a trader dealing in electronic gadgets. On 1 January 2021, its books showed the following balances:

Accounts Receivable	- Ho Yeon	RM 5,200
	- Hae Soo	RM 3,700
Accounts Payable	- Yumi	RM 4,000
	- Gong Li	RM 3,100

The following transactions took place during the year:

- Jan. 3 Ji Min received two acceptances (Bill 1 and Bill 2) from Ho Yeon as follows:
- | | |
|--------|------------------------|
| Bill 1 | RM 2,200 at one month |
| Bill 2 | RM 3,000 at two months |
- 4 Ji Min discounted the Bill 1 at his bank, and incurred charges of RM 200.
- 6 Received from Hae Soo in payment of his account, Lisa's acceptance (Bill 3) due on 15 March for RM 1,700 duly endorsed.
- 12 Ji Min negotiated Bill 2 to Gong Li in full settlement of the amount owing to her.
- 22 Ji Min accepted a two months bill of exchange (Bill 4) from Yumi for RM3,500 and the balance due to her was settled by cheque.
- Feb. 3 Bank advised that Ho Yeon's acceptance (Bill 1) was dishonoured and paid noting charges amounting to RM 50.
- Ji Min immediately drew a new bill (Bill 5) on Ho Yeon plus noting charges and interest charges of RM 120 for a further period of two months.
- Mar. 3 Bill 2 was met at maturity.
- 15 Ji Min found out Bill 3 was dishonoured on due date and sent it back to Hae Soo. Hae Soo then sent a cheque to settle all outstanding balance.
- 22 Ji Min paid Yumi's bill (Bill 4) on due date.
- 24 Prior to due date, Ho Yeon desired to retire (i.e. pay) Bill 5 and allowed him a rebate of RM 70.

(**Remark:** 3 days of grace are not considered and narrations are not required.)

You are required to show the necessary journal entries to record the above transactions in the books of Ji Min.

(Total: 20%)

5. JS and Megan entered into a joint venture for buying and selling mooncakes. Both of them have come to an agreement as follows:
- (i) Profits and losses were shared equally.
 - (ii) Each venturer was entitled to a sales commission of 10% on their own sales value and they have to bear all losses from bad debts.

The following transactions took place during the month of August and September:

2021

- Aug. 1 JS bought mooncakes costing RM 5,000 with delivery charges RM 95.
- 2 Half of the above purchase were transferred to Megan for sale.
- 3 Advertising fee and packing expenses incurred amounted to RM150 and RM220 respectively. These expenses were paid by Megan.
- 7 JS sold part of the mooncakes on credit to Samantha for RM 2,800.
- 18 Received a cheque RM 2,500 from Samantha as part settlement of debts.
- 22 Megan sold all the mooncakes she received from JS for RM 3,500 by cash.
- 29 JS sold the rest of mooncakes by cash for RM700.
- Sep. 1 JS purchased mooncakes costing RM 6,500. On his way home he was involved in an accident and RM 350 of the goods were completely destroyed. The loss was borne by the joint venture.
- 2 Mooncakes costing RM 4,000 was sent to Megan by Lalamove delivery service. Megan paid RM50 for Lalamove charges.
- 5 Megan cash transferred RM 3,000 to JS through the instant transfer online system.
- 10 JS sold all the mooncakes to a marketing company at a price of RM 2,450 and received a cheque.
- 15 The outstanding balance RM300 due by Samantha was unable to be collected.
- 29 Megan made total cash sales of RM 5,320.
- 30 Unsold mooncakes costing RM600. JS and Megan agreed to take it over equally for personal consumption.
- 30 Commission and profits or losses were to be calculated and divided as agreed. The final settlement between the venturers made by cheque.

You are required to prepare the following accounts:

- (a) Joint Venture with Megan, in JS's book; (5%)
 - (b) Joint Venture with JS, in Megan's book; (5%)
 - (c) Memorandum Joint Venture. (10%)
- (Total: 20%)

6. Mireil Co newly set up a branch in Seremban where a full set of books are kept. All goods are purchased by the Head Office in Kuala Lumpur and sent to the branch at cost price. The followings balances were extracted from the Ledgers as at 30 June 2021:

	<u>Head Office</u>		<u>Branch</u>	
	Debit	Credit	Debit	Credit
	RM	RM	RM	RM
Capital		77,720		
Inventory, 1 July 2020	9,334		10,780	
Sales		165,880		96,490
Purchases	150,000			
Goods Sent To Branch		60,000		
Goods Received From Head Office			56,700	
Motor Van, at cost	78,000			
Accumulated Depreciation - Motor Van		28,080		
Staff Salaries	20,000		16,500	
Rental	15,600		9,200	
General Expenses	4,810		2,435	
Insurance	21,000			
Accounts Receivable	7,900		12,950	
Accounts Payable		28,700		
Branch and Head Office Current	37,525			30,525
Cash at bank	16,211		18,450	
	<u>360,380</u>	<u>360,380</u>	<u>127,015</u>	<u>127,015</u>

Additional information:

- (i) Closing inventory as at 30 June 2021:

Head office	RM 4,200
Branch	RM 6,500
- (ii) Depreciate motor van at the rate of 20% on book value.
- (iii) A branch debtor has made payment to head office amounting to RM 1,500. The appropriate entry has been made in the head office's books but not in the branch's books.

- (iv) One-third of the premium insurance paid by head office was for the branch's fire insurance.
- (v) On 30 June 2021, goods in transit to the branch at cost is RM 3,300 and cash in transit to the Head Office is RM 5,200.

(Remark: Any adjustment should be made in the books of head office.)

You are required to prepare:

- (a) a columnar Income Statement for the Head Office and Branch (including a "combined" column) for the year ended 30 June 2021; (10%)
 - (b) Branch Current Account and Head Office Current Account in the books of head office and branch respectively; (4%)
 - (c) a columnar Statement of Financial Position as at 30 June 2021. (6%)
- (Total:20%)