

Tsun Jin High School 2021
2nd Semester Final Examination

Senior Middle Three

BOOKKEEPING AND ACCOUNTS
(SE15)

PAPER 1 MULTIPLE-CHOICE QUESTIONS

Date: 22 October 2021

Time: 9.30 a.m. — 10.00 a.m.

(30 minutes)

INSTRUCTIONS TO CANDIDATES

1. This subject comprises two papers:
 Paper 1: Multiple-choice questions (20%),
 Paper 2: Subjective questions (80%).
2. Complete Paper 1 within the 30 minutes allocated. After a 45-minute interval, proceed to complete Paper 2 within the 3 hours allocated.
3. Attempt **all** the 20 questions in Paper 1. For each question, select the **correct** or the **best** answer and click the square corresponding to the same letter of the alphabet as the answer you have selected. Mark the answers with a **mouse** cursor on **google form ‘O’**.
4. The prescribed electronic calculators may be used.
5. Paper 1 consists of six printed pages.

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

(Candidate's Name: _____)

Index Number: _____)

1. Ming starts a business and paid a cheque into a business bank account. He records this transaction in the books of the business on a systematic recording basis.
Which accounting concepts does he apply?
 - A** Business entity and going concern
 - B** Business entity and dual aspect
 - C** Going concern and matching
 - D** Materiality and dual aspect

2. A stationery producer sent newly launch ballpoint pens as free sample to customers. What is the double entry?

A Debit Drawings Credit Purchases	B Debit Advertising Credit Inventory
C Debit Advertising Credit Stationery	D Debit Advertising Credit Purchases

3. Which items are used to calculate cost of sales?

I Carriage Outwards III Handling Charges V Sales	II Import Duties IV Opening Inventory
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 - A** I, II, IV
 - B** II, III, IV
 - C** II, IV, V
 - D** II, III, IV, V

4. The totals of a Trial Balance agreed. What does this mean?
 - A** All the arithmetic in the ledger is correct
 - B** Total debit balances equal total credit balances in the ledger
 - C** All transactions have been entered in the correct ledger accounts
 - D** All transactions have been entered on the correct sides of the ledger

5. Which of the following is recorded in the special journal before the transaction is posted to the ledger accounts?
 - A** Opening entries of a new set of books
 - B** Gain on disposal of non-current asset
 - C** Additional order invoiced
 - D** Uncollectible debts

6. What is the step for proving accounts according to the accounting cycle?
- A Prepare Trial Balance
 - B Post to Ledger accounts
 - C Sort out source documents
 - D Prepare financial statements
7. Which of the following is **not** the likely effect that will take place if allowance for doubtful debts is increased?
- A Increase allowance expense
 - B Debit balance in Profit And Loss account
 - C Greater closing balance of the allowance account
 - D Net accounts receivable are lesser than previous year
8. On 1 January 2020 a trader owed one month's rent. During the year rent was paid by cheque. On 31 December 2020 two month's rent was paid in advance. How did the trader calculate the rent expenses at the end-of-period?
- A Amount paid + opening accrual + closing prepayment
 - B Amount paid + opening accrual – closing prepayment
 - C Amount paid – opening accrual + closing prepayment
 - D Amount paid – opening accrual – closing prepayment
9. A factory owner decided to use a fair method to calculate the utilisation and depreciation on the factory tools. Factory tools costing RM 3,200 was purchased on 1 January 2020. This was expected to have a useful life of 4 years. Additional factory tools were bought during the year for RM 400. The total of factory tools was valued at RM 2,900 on 31 December 2020. What was the utilisation and depreciation charge at the reporting period end?
- A RM 300
 - B RM 700
 - C RM 800
 - D RM 900
10. What are the sources of information for entries in control accounts?
- A General ledger
 - B Subsidiary ledger
 - C Books of prime entry
 - D Sales ledger and purchases ledger

11. A trader's bank statement showed a debit balance of RM 80 on 30 June 2021. The following were recorded in the cash book but did not appear on the bank statement:
- Cheques not presented RM 194
Deposits not credited RM 334
- What was the bank balance in the cash book for the period end?
- A** RM 60 debit
B RM 60 credit
C RM 220 debit
D RM 220 credit
12. After the income statement is prepared, a business discovered that the total of closing inventory was undervalued. What was the effect on profit after the adjustment made?
- A** Gross profit will remain unchanged
B Gross profit will be decreased
C Net profit will be decreased
D Net profit will be increased
13. Ong and Wee are in partnership. On 1 May 2020 Ong drew out RM 6,000 for private use. Choose the correct entry for the interest charged on drawings at the end of the year 2020, if the interest rate is 6% per annum.
- A** Debit: Profit And Loss Appropriation RM 360
Credit: Interest On Drawings RM 360
- B** Debit: Interest On Drawings RM 240
Credit: Profit And Loss Appropriation RM 240
- C** Debit: Current — Ong RM 360
Credit: Profit And Loss Appropriation RM 360
- D** Debit: Current — Ong RM 240
Credit: Interest On drawings RM 240
14. If a partnership revalues its assets upon the retirement of a partner, how should the resulting carrying values are lower than actual values on revaluation be handled?
- A** Debited to all partners' capital accounts in the old ratio mentioned
B Credited to all partners' capital accounts in the old ratio mentioned
C Debited to the remaining partners' capital accounts in the new ratio mentioned
D Credited to the remaining partners' capital accounts in the new ratio mentioned

15. On 1 January 2020 ET Limited was formed with the issue of 200,000 ordinary shares of RM 0.50 each. The company made a profit of RM 21,000 during the first trading year. A dividend of RM 0.02 per ordinary share was paid and RM 10,000 was transferred to general reserve. What was the total of reserves at the end of the reporting period?
- A RM 7,000
 - B RM 9,000
 - C RM 17,000
 - D RM 19,000
16. When a bill of exchange is to be claimed from the drawer as rebate?
- A Noting the bill
 - B Retiring the bill
 - C Renewing the bill
 - D Negotiating the bill
17. Which of the following statements relating to consignment are **incorrect**?
- I The account sales is prepared by the consignor
 - II The ownership of the goods consigned belongs to the consignor
 - III All expenses incurred on consignment are borne by the consignor
 - IV The bad debts incurred on credit sales are always borne by the consignee
- A I, II
 - B I, IV
 - C II, III
 - D III, IV
18. How should the balance in the Hire Purchase Interest Suspense account for current year be represented in the financial report?
- A The interest due and shown as a contra asset
 - B The interest incurred and shown as an expense
 - C The interest accrued and shown as a deduction from hire purchase vendor
 - D The interest not yet accrued and shown as a deduction from hire purchase vendor
19. In an amalgamation of business, at what value should the assets taken over be recorded by the purchasing company?
- A Cost
 - B Carrying value
 - C Market value
 - D Fair value

20. A sole proprietorship, with net assets of RM 130,000, was purchased at a price of RM 125,000. The purchase price was then to be settled by the issuance of 100,000 ordinary shares of RM 1 each. Which of the following does the difference of RM 5,000 refer to and at what unit price were the shares issued to the vendor?
- A** Gain on bargain purchase a premium of RM 0.25
 - B** Gain on bargain purchase a par value of RM 1
 - C** Goodwill a premium of RM 0.25
 - D** Goodwill a par value of RM 1