

Section A: Compulsory Questions (60%)

Attempt all the questions in this section.

- 1 The Statement Of Financial Position of Soon Company as at 31 December 2020 contained the following items:

	RM	RM
Motor Vehicles	180,000	
Less: Accumulated Depreciation	<u>(55,000)</u>	125,000
Office Equipment	25,000	
Less: Accumulated Depreciation	<u>(2,500)</u>	22,500

The company depreciates its motor vehicles at the rate of 15% on cost per annum and office equipment at the rate of 10% per annum using the reducing balance method.

It is the policy of the company that a full year's depreciation is charged in the year of acquisition but none in the year of disposal.

On 1 May 2021, one motor vehicle cost RM 40,000 bought on 1 March 2018 was traded in with a new motor vehicle cost RM 50,000. The company paid RM 29,000 by cheque to settle the full payment of the new motor vehicle.

On 31 July 2021, the company bought a new computer for RM 3,000.

You are required to prepare:

- (a) the following accounts for 2021:

(i) Motor Vehicles;	(4%)
(ii) Office Equipment;	(2%)
(iii) Accumulated Depreciation Of Motor Vehicles;	(4%)
(iv) Accumulated Depreciation Of Office Equipment;	(3%)
(v) Disposal Of Motor Vehicle.	(4%)

- (b) the non-current assets section of the Statement Of Financial Position as at 31 December 2021.

(3%)



- 2 Yap and Tan were in partnership under an agreement which provided that:
- (i) Profit and losses were to be shared in proportion to their original capital; /
 - (ii) Tan would received receive an annual salary of RM 12,000; /
 - (iii) 8% interest per annum was allowed on partners' capital; /
 - (iv) 4% interest per annum was allowed on loan from partners. /

The following was their Trial Balance taken on 31 March 2022:

	Dr RM	Cr RM
Capital- Yap		30,000
- Tan		15,000
Current- Yap	2,300	
- Tan	1,600	
Drawings- Yap	12,000	
- Tan	6,000	
Loan From Yap		30,000
Office Equipment	24,000	
Accumulated Depreciation Of Office Equipment		6,000
Inventory, 1 April 2021	41,600	
Sales		187,400
Purchases	104,300	
Rent	4,800	
Insurance Expenses	4,000	
Accounts Receivable and Accounts Payable	31,400	24,800
Water And Electricity	2,400	
Carriage Inwards	1,700	
Carriage Outwards	1,500	
Discounts Allowed	1,400	
General Expenses	3,600	
Bank	17,400	
Salaries	33,200	
	<u>293,200</u>	<u>293,200</u>

- Additional information:
- (i) Inventory on 31 March 2022 was valued at RM 46,000. /
 - (ii) Office Equipment was to be depreciated at 10% per annum on reducing balance method. /
 - (iii) The insurance expenses had been paid for 10 months ended 31 May 2022. /
 - (iv) RM 800 was owed for salaries. /
 - (v) During the year, Tan took goods which cost RM 200 for his own use but no entry has been made in the books.

You are required to prepare:

- (a) partnership Income Statement for the year ended 31 March 2022; (14%)
- (b) Current account of Yap and Tan in columnar form. (6%)



3 The Cash Book of Lin Company at 31 May 2022 showed a balance of RM 500 overdrawn. The Bank Statement for the month of May 2022 showed the following discrepancies:

- (i) A cheque of RM 1,500 from a customer had been deposited in the bank but not yet credited by the bank. *Uncredited deposit*
- (ii) Cheques amounted to RM 2,350 had been drawn by the company but had not been presented to the bank. *Unpresented cheque*
- (iii) The bank had wrongly charged a payment of RM 200 made by Lim Company to Lin Company's account. *Bank charges*
- (iv) Credit transfer from customer RM 800 had been included in the Bank Statement but not yet entered in the Cash Book. *credit transfer*
- (v) A cheque of RM 380 issued for the payment of wages had not been recorded in the Bank Statement.
- (vi) A credit transfer for personal tax refund of RM 120 had been collected by the bank. *tax refund*
- (vii) The bank returned a cheque of RM 430 marked "refer to drawer" which had not been recorded in the Cash Book.
- (viii) Interest on fixed deposit RM 130 and bank charges RM 40 were entered in the Bank Statement but not yet entered in the Cash Book. *fixed deposit RM 130 bank charges RM 40*
- (ix) The bank had paid insurance premium RM 750 according to an standing order. *insurance - standing order*

You are required to:

- (a) complete the Cash Book and carry forward the adjusted balance; (11%)
- (b) prepare Bank Reconciliation Statement as at 31 May 2022 to reconcile the Cash Book balance with the Bank Statement balance. State clearly whether each balance is a debit or a credit. (9%)



Section B: Elective Questions (20%)

Attempt any one of the three questions in this section.

- 4 CS Company had a Branch in Penang. The Branch kept its own accounting records. The Trial Balance of the Head Office and the Branch were as follows:

	<u>Head Office</u>		<u>Branch</u>	
	Debit RM	Credit RM	Debit RM	Credit RM
Inventory, 1 July 2021	29,800		6,300	
Purchases	277,600			
Sales		335,700		185,400
Bank Loan		112,000		
Salaries	24,000		8,200	
Goods Sent To Branch		102,600		
Goods Received From Head Office			102,600	
Discounts Allowed	5,500			
Water And Electricity	14,900		11,600	
Trade Receivables	42,900		13,900	
Trade Payables		19,600		
Fire Insurance	17,600		9,300	
Current	62,400			38,300
Bank	61,000		23,800	
Petty Cash	2,800		1,600	
Delivery Charges	4,200			
Non-current Assets	227,200		46,400	
Capital		200,000		
	<u>769,900</u>	<u>769,900</u>	<u>223,700</u>	<u>223,700</u>

Additional information:

- (i) All goods were purchased by the Head Office and transferred to the Branch at cost plus 25%.
 (ii) The inventory was valued at 30 June 2022 as follows:

	RM
Head Office, at cost	21,700
Branch, at invoiced price	11,125

- (iii) The cash in transit remitted to the head office was RM 24,100.
 (iv) All non-current assets must be depreciated by 8% per annum.
 (v) 20% of the delivery charges must be charged to the branch.
 (Remarks: 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 2022; (17%)
 (b) the closing entries in the Branch Current Account which appeared in Head Office's books. (3%)



- 5 Ali and Abu entered into a joint venture for two months to deal with second-hand engines. They agreed to share profits and losses equally. No separate books were opened for the venture and all payments and receipts were passed through the venturers' individual bank accounts.

The following transactions took place during the two months:

2022

June 1 Ali bought goods costing RM 8,000 for cash. Ali received a cheque from Abu for half of the amount.

9 Ali sent some of goods purchased amounted to RM 2,000 to Abu. Ali paid insurance expenses RM 70 for the joint venture.

18 Abu purchased goods costing RM 2,500 for cash and paid for repairs on them at a cost of RM 330.

2~30 Ali sold goods at cost 3,500 for RM 5,000 and Abu sold goods at cost RM 800 for RM 1,200.

July 5 Abu purchased goods costing RM 2,200 for cash but RM 1,400 of these goods were damaged in transit. The insurance company agreed to pay Abu 80% of the loss and the remainder of the loss was to be borne by the joint venture

6~31 Ali sold goods at cost RM 1,500 for RM 3,000.

31 It was agreed that all the remaining inventory would be taken over by Ali at cost. Abu paid RM 160 to have the inventory transported to Abu.

31 A cash settlement was made between the joint venturers.

You are required to prepare:

- | | |
|--|------|
| (a) "Joint Venture With Abu" in Ali's books; | (7%) |
| (b) "Joint Venture With Ali" in Abu's books; | (8%) |
| (c) Memorandum Joint Venture | (5%) |



- 6 The Income And Expenditure Account of the Penang Sports Club was as follows:

Income And Expenditure Account For The Year Ended 31 December 2021			
	RM		RM
Donations To Charities	175	Subscriptions	9,928
Stationery And Postage	895	Entrance Fees	250
Rent	5510	Donation Received	1,000
Insurance	408		
Secretarial Expenses	815		
Meeting Expenses	1,840		
Depreciation Of Furniture	580		
Surplus	955		
	<u>11,178</u>		<u>11,178</u>

The following balances appeared in the books of the club:

	1 January 2021	31 December 2021
	RM	RM
Furniture	1730	1650
Subscriptions In Arrears	95	115
Subscriptions In Advance	40	67
Prepaid Insurance	145	87
Accrued Rent	400	350
Cash At Bank	2,000	?

You are required to prepare the following accounts and statement as at 31 December 2021:

- | | |
|--------------------------------------|------|
| (a) Subscription; | (3%) |
| (b) Receipts And Payments; | (8%) |
| (c) Statement Of Financial Position. | (9%) |

