

**KUEN CHENG HIGH SCHOOL
THE UNIFIED EXAMINATION
INDEPENDENT CHINESE SECONDARY SCHOOLS MALAYSIA
(TRIAL EXAMINATION 2022)**

Senior Middle Level

**BOOK KEEPING AND ACCOUNTS
(SE 15)**

PAPER 2 SUBJECTIVE QUESTIONS

DATE: 07 October 2022

**TIME: 9:10 am - 12:10 pm
(3 hours)**

INSTRUCTIONS TO CANDIDATES

1. This subject comprises two papers:
 Paper 1: Multiple-choice questions (20%)
 Paper 2: Subjective questions (80%)
2. Paper 2 consists of two sections:
 Section A (Compulsory) : attempt **all** the three questions (60%)
 Section B (Elective) : attempt any **one** of the three questions (20%)
 You are required to attempt a total of **four** questions.
3. **Begin each answer on a fresh page.**
4. Use only **blue** or **black** ink for writing.
5. Do not copy the questions, but the answer to each question should be clearly written.
6. **Workings must be shown.**
7. Unless otherwise specified, the prescribed electronic calculators may be used.
8. Before attempting the questions, fill in your index number on the **marking-sheet** (computer card) and blacken the corresponding letters/numbers with **5B** pencil. After answering all the questions, blacken the numbers of the questions you have chosen in the question number column and also indicate the total number of questions answered.
9. Arrange the answer scripts in numerical order with the provided marking-sheet (computer card) on top and tie them together
10. Paper 2 consists of seven printed pages

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

Name of Candidate: _____

Index Number : _____

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Section A: Compulsory Questions (60%)

(Attempt **all** the three questions)

1. (a) Johnson begin business on 1 January 2020 and there were accounts receivable of RM 6,000 at the end of the year 2020 after the bad debts of RM 400 had been written off. It was also decided to make an allowance for doubtful debts of 5% of the debtors' total for the year ended 31 December 2020.

The business continues to operate during the year 2021 and Johnson's accounts receivable was RM 9,000. An examination of these debts of RM 380 which Johnson regarded as irrecoverable and still included in the debtors' group. He decided to write off this amount. It was decided to maintain the allowance for doubtful debts at 5% of the debtors' balance carried forward to year 2022.

You are required to prepare the following accounts for the year ended 31 December 2020 and 2021:

(i) Allowance for Doubtful Debts Account

(ii) Income Statement (Extract)

(10%)

- (b) On 31 December 2015, the bank column of Miya's Cash Book showed that she had a balance of RM 25,080. This did not agree with the balance shown on her bank statement on that date. The difference was due to the following:
- (1) Cheques drawn by Miya amounting to RM 1,353 had not been presented to the bank.
 - (2) A standing order payment for rent of RM 750 had not been entered in his Cash Book.
 - (3) Miya had omitted sales receipts amounting to RM 713 from her Cash Book but they were shown on her bank statement.
 - (4) A cheque for RM 520 from Sandy had been returned by the bank marked "refer to drawer" but this had not been recorded in her Cash Book.
 - (5) A credit transfer of RM 933 from Brooy had not been entered in her Cash Book.
 - (6) Miya had entered a payment of RM 380 to Cindy as RM 830 in her Cash Book.
 - (7) The bank had not credited Miya with the receipt of RM 2,039 paid into the bank on 31 December 2015.

You are required to prepare :

(i) Necessary entries in the Adjusted Cash Book and bring down the adjusted balance.

(ii) Bank Reconciliation Statement commencing with the adjusted cash book balance.

(10%)

(Total 20%)

2. Jason, Allan, Erica were partners in a business and sharing profit and losses in the ratio of 2:2:1. Trial Balance as at 31 December 2009 was as follows:

	Debit <u>RM</u>	Credit <u>RM</u>
Bank	1,300	
Inventory	9,000	
Accounts Receivable	11,050	
Motor Vehicles	22,300	
Accounts Payable		11,250
Loan from Allan		9,164
Capital – Jason		16,000
– Allan		12,000
– Erica		
	4,764	
	<u>48,414</u>	<u>48,414</u>

Jason, Allan, Erica agreed to dissolved the partnership and the assets were realized for cash (deposit into bank) as follows:

	<u>RM</u>
Inventory	4,000
Motor Vehicles	18,850

The accounts payable were paid off at 20% discount and the expenses of winding up amounted RM 655 were paid by Jason.

The amount due from the accounts receivable were collected and banked with the exception of one debt for RM 720 which was regarded as irrecoverable. And the partners agreed to allow discounts for RM 105.

While Jason and Allan were solvent, Erica was unable to bring in anything. All the liabilities were settled during the dissolution.

You are required to prepare:

- (a) Realisation Account
- (b) Partners' Capital Accounts (in columnar form)
- (c) Bank Account

(Total 20%)

3. Autumn Bhd issued 60,000 ordinary shares of RM 1 each at a premium of RM 0.20. Payment were made as follows:

On Application	RM 0.30 per share
On Allotment (including premium)	RM 0.50 per share
On First call	RM 0.20 per share
On Second and Final Call	RM 0.20 per share

On 1 January 2020, application were received for 104,000 shares and the directors decided to deal with them as follows:

<u>Applications</u> <u>(Units)</u>	<u>Shares allotted on 20 January 2020</u> <u>(Units)</u>
(i) 60,000	30,000
(ii) 40,000	30,000
(iii) 4,000	No shares was allotted and the application money refunded

The excess application money were held and set off against the amount due on allotment.

Unsuccessful applicants in category (iii) were then refunded on 23 January 2020.

The allotment money were received on 31 January 2020.

The first and final call was made on 1 June 2020 and the money were fully received on 30 June 2020.

The second and final call was made on 1 August 2020 and the shares were paid in full on 16 August 2020, with the exception of an applicant, Darren who had applied for 2,000 shares in category (i) failed to pay the amount due.

You are required to prepare:

- Journal Entries to record the above transactions in the books of Autumn Bhd. (Narration are not required)
- Statement of Financial Position as at 31 December 2020 (Equity section only)

(Total 20%)

Section B: Elective Questions (20%)

(Attempt any **one** of the three questions)

4. Super Power Bhd extracted the following balances from the books of account at the end of their financial year 31 December 2016:

	<u>RM</u>
Inventory at 1 January 2016	
- Raw Materials	80,000
- Work in progress (at Prime Cost)	23,000
- Finished Goods	25,600
Plant and Machinery at cost	200,000
Accumulated Depreciation – Plant and Machinery	60,000
Indirect Factory Expenses	5,000
Salaries and Wages	60,000
Purchase of Raw Material	510,000
Returns Inwards	1,400
Purchase of Finished Goods	16,500
Allowance for Doubtful Debts	9,600
Carriage Inwards on Raw Materials	4,100
Manufacturing Wages	350,000
Direct Factory Expenses	4,100
Light and Heat	16,000
Insurance	6,800
Carriage Outwards	3,000
Rent and Rates	52,000
Power (Factory)	18,000
Bad Debts	2,800
Sales	1,420,800
Accounts Receivable	800,000

The following additional information at 31 December 2016 are provided as follows:

- (a) Value of inventory at 31 December 2016
 - Raw Materials RM 68,000
 - Work in Progress (at Prime Cost) RM 25,000
 - Finished Goods RM 30,800
- (b) Super Power Bhd transfer goods to warehouse at cost plus 15%.
- (c) Rent and Rates, Light and Heat and Insurance are to be apportioned between factory and office as $\frac{3}{4}$ and $\frac{1}{4}$ respectively.
- (d) Salaries and Wages are to be split factory $\frac{1}{3}$ and office $\frac{2}{3}$.
- (e) Manufacturing wages due and not yet pay RM 8,000.
- (f) Prepayment of rates RM 2,000.
- (g) Depreciation Plant and Machinery at the rate of 20% per annum on cost.
- (h) The allowance for doubtful debts is to be maintained at 2% of accounts receivable.

You are required to prepare:

- (i) Manufacturing Account for the year ended 31 December 2016.
- (ii) Income Statement for the year ended 31 December 2016.

(Total 20%)

5. On 1 September 2018, Family Ltd of Kuala Lumpur dispatched 500 cases of goods to agents Meng in Melaka which costing RM 220 per case and pro forma invoice price of RM 100,000. Family Ltd had paid carriage charges RM 800 and insurance RM 900 on the same day.

On 10 September 2018, Family Ltd drew a bill of exchange at two month after sight for RM 10,000. Family Ltd discounted the bill at RHC Bank and receiving RM 9,600. Family Ltd decided to charge the discounting charges against the consignment.

On 15 September 2018, Meng found that 10 cases were broken. A claim was made on BIB Insurance Company. On the same day, after settle the broken cases, Meng had paid the landing charges RM 320 and packaging expenses RM 450.

On 18 September 2018, Meng sold on credit 150 cases at RM 250 per case and incurred selling expenses RM 120. On 23 September 2018, Meng sold further 250 cases on credit at RM 300 per case and paid advertising RM 300.

The agreement between the consignor and consignee stated that Meng should deduct a sales commission of 6% plus an addition 2% del credere commission. The financial year of Family Ltd and Meng ended on 30 September 2018.

(i) Prepare the following accounts in the books of Family Ltd.

- (a) Consignment
- (b) Goods on Consignment
- (c) Consignee – Meng

(ii) Prepare the account of Consignor – Family Ltd in the books of Meng.

*Remarks: Answers in Question 5 above must in rounded figure.

(Total 20%)

6. Peter and Tony entered into a joint venture for two months to deals with second hand motor 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 bank accounts (all the cash will transferred to bank account).

The following transactions took place during these two months:

2019

March	2	Peter bought goods costing RM 8,000 for cash and paid for carriage charges RM 100.
	9	Part of the purchases above were transferred to Tony. Peter paid insurance expenses RM 70 for the joint venture.
	18	Tony purchased goods costing RM 2,500 for cash and paid for repairs on them at a cost of RM 330.
	30	Peter made sales of RM 5,000 for cash and Tony made sales of RM 1,200 for cash.
April	5	Tony purchased goods costing RM 2,200 for cash but RM 1,400 of these goods were damaged in transit. An insurance claim RM 1,100 was received for the cost of the goods damage in transit.
	13	Tony transfer RM 1,000 to Peter to assist in financing the venture.
	30	Peter made sales of RM 10,000 for cash.
	30	It was agreed that all the remaining inventory would be taken over by Peter at an agreed value of RM 1,600. Tony paid transportation expenses RM 160 to have the second hand motor engines transported to Peter.
	30	A final settlement was made between the joint venturers, joint venture was closed.

You are required to prepare :

- (a) "Joint Venture With Tony Account" in the book of Peter
- (b) "Joint Venture With Peter Account" in the book of Tony
- (c) Memorandum Joint Venture Account

(Total 20%)

Prepared by: Chia Choon Han