



UNIVERSITY COLLEGE TATI (UC TATI)

FINAL EXAMINATION QUESTION BOOKLET

COURSE CODE : BBM 1073

COURSE : BUSINESS ACCOUNTING

SEMESTER/SESSION : 1-2024/2025

DURATION : 3 HOURS

Instructions:

1. This booklet contains 5 questions. Answer **ALL** questions.
2. All answers should be written in answer booklet.
3. Write legibly and draw sketches wherever required.
4. If in doubt, raise your hand and ask the invigilator.

DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO

THIS BOOKLET CONTAINS 5 PRINTED PAGES INCLUDING COVER PAGE

**QUESTION 1**

- a) Show the EFFECT of double entry transaction using the example below as a guide:

Transactions	Effect
Bought furniture in cash	Asset – Furniture Increase
	Asset – Cash decrease

- i. Start a business with cash
- ii. Bought goods on credit from Alia
- iii. Bought goods from Iqbal paying by cheque
- iv. Sold goods on credit to Kyla
- v. Cash sales to Amina

(10 marks)

- b) Show the double entry transaction of the following in the books of Mr. Amir.

- i. Started business with a capital of RM 1,00,000
- ii. Bought furniture for RM 25,000 paying by cash
- iii. Bought goods for cash RM 20,000
- iv. Bought goods from Syarah on Credit RM 5,000
- v. Sold goods for cash for RM 15,000
- vi. Sold goods to Alif on credit RM 8,000
- vii. Paid cash to Naqid RM 4,000
- viii. Received cash from Alif RM 5,000
- ix. Paid Cash into Bank RM 25,000
- x. Withdrawn from bank RM 10,000

(10 marks)

c) Calculate the value for the following missing items below: (5 marks)

Assets (RM)	Capital (RM)	Liabilities (RM)
45,000		12,400
	33,000	13,333
21,200	10,000	
45,678		34,567
	85,400	43,300

**QUESTION 2**

Hassan started a business on 1 January 2023 with a capital of RM20,500. On 31 December 2023, these balances were taken:

	RM
Store equipment	6,800
Inventories	11,680
Account payable	3,764
Cash	236
Account receivable	6,560
Bank	4,356
Accrued electricity bill	88
Prepaid insurance	60

In the same year, Hassan withdrew RM250 a month to pay his house rent. He decided to depreciate his store equipment at 15% a year and established an allowance for doubtful debts at 5% on accounts receivable value.

You are required to prepare:

- a) A statement to find profit and loss for the year ended 31 December 2023. (8 marks)
- b) A Statement of financial position as at 31 December 2023. (20 marks)

**QUESTION 3**

- a) An asset costs RM 15,000. It has an estimated useful life of five years, after which its residual value will be RM1,000. If the straight-line method of depreciation is used, calculate the Net Book value after one year. (2 marks)
- b) A machine costs RM8,000. It will be kept for five years and then sold for an estimated figure of RM2,400. Calculate the depreciation for each of the five years using the reducing balance method with a depreciation rate of 20 percent. (8 marks)

**QUESTION 4**

- a) Describe the following:
- Accounting Ratio
  - Ratio Analysis (4 marks)
- b) Explain **THREE (3)** objectives of ratio analysis. (6 marks)
- c) Discuss **THREE (3)** types of financial statements. (6 marks)
- d) Explain **TWO (2)** reasons for gross profit to decrease. (4 marks)

**QUESTION 5**

Hanif's financial year ends on 31 December. He provided the following information on 31 December 2022

	RM
Trade payables	81,500
Inventory	87,500
Trade receivables	56,200
Petty cash	100
Bank overdraft	17,100

You are required to provide the following answers:

- Find the current ratio. ((Round up to two decimal places). (3 marks)
- Comment your answer in (a). (5 marks)
- Find the quick ratio. (Round up to two decimal places). (3 marks)
- Give **THREE (3)** reasons the quick ratio is lower than it was at the end of the previous year. (6 marks)

-----End of question-----

