



UNIVERSITY COLLEGE TATI (UC TATI)

FINAL EXAMINATION QUESTION BOOKLET

COURSE CODE	: DTG 2423
COURSE	: ACCOUNTING
SEMESTER/SESSION	: 2 - 2022/2023
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) Explain **FOUR (4)** main objectives of accounting (8 marks)
- b) List **SIX (6)** users of accounting information (6 marks)

QUESTION 2

- a) Determine accounting concepts for the following statement:
- i) Financial information is reported for a specific period of time financial on statement.
 - ii) A business's record should never be mixed with an owner's personal records and reports
 - iii) When a business activity is large enough to impact business decisions. It should be recorded clearly in the financial statements.
 - iv) Financial statements are prepared with the expectation that business will remain in operation indefinitely.
 - v) Revenue is recorded at the same time goods or services are sold.
 - vi) The revenue from business activities and the expenses associated with earning that revenue are recorded in the same accounting period. (6 marks)
- b) Explain **FOUR (4)** types of financial statement (8 marks)

QUESTION 3

- a) Explain **FOUR (4)** usefulness of an account. (8 marks)
- b) Prepare the journal entries to record the following transactions:

2022 May	1	Started in business with capital in cash of RM3,500 and RM10,000 in the bank
	2	Bought good on credit from: Jaafar RM610; Peter Pan RM515; Monash RM174; Garry RM345; Toyyib RM542
	4	Sold goods on credit to: Jaafar RM340; Rayyan RM720; Felix RM1,152
	6	Paid rent by cash RM410
	9	Jaafar paid us his account by cheque RM340
	12	Paid the following by cheque to Monash RM174; Jaafar RM610
	15	Paid carriage in cash RM38

(11 marks)

- c) On 1st May 2020, Tania purchased a new van costing RM16,000. She decided to continue depreciating using the straight-line method with a rate of 20% per annum. (2 marks)
- i) Compute the annual depreciation charge for the vehicle (2 marks)
- ii) Compute the annual depreciation charge for the years ended 30th April 2021 and 30th April 2022 if Tania adopts the reducing balance method of depreciation at a rate of 25% per annum. (4 marks)
- iii) Prepare the accumulated depreciation van account for the first two years. (4 marks)

QUESTION 4

- a) A business prepared its financial statements annually to 31 December suffered bad debts which were written off as follows:

2010: RM420 2011: RM310 2012: RM580

The business had a balance of RM400 on the Allowance of Doubtful Debts Account on 1 January 2010. At the end of each year, the business considered which of its debtors appeared doubtful and carried an allowance of

2010: RM500 2011: RM600 2012: RM400

Show each of the entries in the income statements and prepare the Allowance for Doubtful Debts Account for each of the three years.

(14 marks)

- b) Edina does not maintain full accounting records. She provided the following information for the year ended 30 April 2018.

	1-May-17	30-Apr-18
Cash at bank	5,000.00 -	2,300.00
Inventory	26,350.00	31,580.00
Trade payables	17,950.00	19,370.00
Trade receivable	21,600.00	23,700.00
Other payables - electricity	200.00	150.00
Other receivables - rent	500.00	750.00
Receipts from trade receivables		96,325.00
Payments to trade payables		71,900.00
Electricity paid		2,600.00
Rental income		5,000.00
General expenses paid		8,500.00
Returns inwards		4,630.00
Irrecoverable debts		840.00
Edina maintains an allowance for doubtful debts of 2% of trade receivables		

Prepare the following accounts for the year ended 30 April 2018

- i) Trade Receivable Ledger Control Account
- ii) Trade Payable Ledger Control Account

(5 marks)
(4 marks)

QUESTION 5

Richiamo Enterprise provides health and beauty consultation services. The following are unadjusted accounts balances for the financial year ended 31 December 2021:

Account	RM
Cash	44,470
Account receivable	103,770
Office supplies	10,800
Prepaid utilities	21,700
Prepaid insurance	16,800
Office equipment	69,360
Accumulated depreciation - Office equipment	8,800
Unearned revenue	59,700
Capital	155,600
Service revenue	81,360
Salary expense	38,560

Additional information:

- Supplies on hand at 31 December 2021 was RM5,800
- Prepaid insurance represented premiums for policy purchased on 1 July 2021 for a period of one year.
- Annual depreciation of office equipment was RM3,600
- Utilities expense amounted to RM11,700
- Rent expense was RM6,000. It has not yet been recorded and only will be paid in January 2022.
- Unearned revenue on 31 December 2021 was RM29,700.

Required:

- Prepare the relevant adjusting journal entries (6 marks)
- Prepare the adjusted trial balance as at 31 December 2021 (9 marks)
- Prepare statement of income statement for the year ended 31 December 2021 (5 marks)

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

