



Fundamentals of Accounting Workbook

HF
5635
.F86
2012



- Structured Questions • Multiple-choice Questions
- Final Examination Practice • Past Year Examination Questions

Name:

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Fundamentals of Accounting Workbook

PERPUSTAKAAN POLITEKNIK PORT DICKSON	
PESANAN KERAJAAN	
NO. INVOIS	
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Fundamentals of Accounting Workbook

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Accounting Books

QUESTION 1

Identify the Books of First Entry for every source document stated as below.

Source document	Transaction	Book of First Entry
Invoice received	Credit purchases of goods	
	Credit purchases of assets	
Invoice issued	Credit sales of goods	
	Credit sales of assets	
Cash bill received	Cash purchases	
Cash bill issued	Cash sales	
Receipt received	Cash payment	
Receipt issued	Cash received	
Credit Note received	Return outwards	
Credit Note issued	Return inwards	
Debit Note received	Understated purchases price	
Debit Note issued	Understated sales price	
Vouchers	Payment made but no receipt issued	
Cheque butts	Payment by cheques	
Memos	Additional capital Disposal of assets Drawings of assets Drawings of goods Drawings of cash	

QUESTION 2

Sulaiman started a new workshop on 1 May 2011. During the month of May 2011, the following transactions were made:

Date		Transaction
May 2011	5	Deposited RM20,000 cash into the bank and RM 1,000 cash in hand.
	6	Bought equipment RM8,200 and paid by cheque.
	7	Miscellaneous expenses of RM140 paid out by cash.
	10	Paid rental of garage by cheque RM540.
	12	Paid wages in cash RM800.
	15	Cash sales RM1,000.
	18	Paid electricity in cash RM250.
	22	Paid Hin Lee, a creditor RM1,500 by cheque.
	25	Performed services on Kenari Transport's cars for RM7,500 by cheque.
	28	Paid salary by cheque RM1,000.

You are required to record the above transactions in the Cash Book.

(Cash balance: RM810; Bank balance: RM16,260)

QUESTION 3

Below are the transactions of Sky Win Furniture for the month of June 2011.

Date		Transaction
June 2011	1	Commenced business with cash in hand RM5,000 & cash at bank RM100,000.
	2	Purchased furniture RM2,200, paying by cheque.
	4	Bought stationery RM180 for cash.
	7	Paid rent RM700 by cheque.
	9	Paid carriage outwards RM120 by cash.
	10	Took study table for own use RM150.
	14	Purchased shelves, tables & chairs RM16,500 and paid by cheque.
	16	Paid commission to a salesman by cash RM1,000.
	24	Bought lorry from Mutiara Motor RM30,000.
	25	Brought in furniture from owner's house for office use RM700.
	30	Paid salary by cash RM1,000.

You are required to record the above transactions in the Two-Column Cash Book.

(Cash balance: RM2,700; Bank balance: RM80,600)

QUESTION 4

Saida is the owner of the First Lady Enterprise. Below are her business transactions in March 2011.

Date		Transaction	Amount (RM)
March 2011	1	Started business with cash balance RM2,500 and bank balance RM50,000.	
	3	Received cash from Adam.	3,900
	7	Saida paid Aishah the amount owing, less 5% discount by cheque.	3,100
	10	Received cash from Wani RM4,800 and was allowed RM200 discount.	
	11	Paid Nelly by cash RM2,400 and received RM110 discount.	
	13	Paid advertising fees by cheque.	5,000
	15	Purchased goods and paid by cheque.	3,700
	16	Paid telephone bills by cash.	1,000
	18	Paid Kelly by cash and received RM150 cash discount.	1,800
	20	Bought stationery and paid by cheque.	900
	22	Paid wages by cheque.	4,000
	25	Received cheque from Jackie and allowed RM160 cash discount.	2,400
	26	Peace Enterprise settled his account by cheque.	4,300
	28	Received RM3,620 cheque from Siew Ching being in full settlement of account for RM3,800.	
	30	Paid retailer Amir by cheque for amount owing RM2,000 less 5% discount.	

You are requested to record the above transactions in the Three-Column Cash Book.

(Cash balance: RM6,000; Bank balance: RM41,720)

QUESTION 5

Below are the business transactions of May Vee Bicycle Shop in April 2011:

Date	Transaction
April 1	Started business with cash RM5,000 and bank RM50,000.
3	Purchased bicycles RM 35,700 from Selva Bikers.
5	Received invoice from Ikram, a supplier RM10,000.
8	Sold bicycle RM500 for cash.
10	Purchased bicycle tyres from Siva Trading RM5,200.
13	Sold bicycles to Manja RM700 for cash.
17	Purchased bicycle accessories from Selva Bikers RM2,550.
22	Sent invoice to Brilliant Vehicle RM27,500.
24	Sold bicycles to Mania Bicycle Trading RM19,000.
29	Purchased bicycles on credit from Ikram RM7,000 and Lee Bicycle Enterprise RM6,000.

You are required to prepare:

- a) Purchases Journal.
- b) Sales Journal.

(Purchases Journal: RM66,450; Sales Journal: RM46,500)

QUESTION 6

Ahmad, a sole proprietor started his business on 1 February 2011 with cash in hand RM3,000 and cash at bank RM50,000.

Date	Transaction	Amount (RM)
2011		
Feb. 1	Purchased goods from Bala Trading.	7,800
5	Charlie Trading supplied goods after trade discount 5%.	2,600
8	Received a credit note from Bala Trading because of damaged goods.	620
11	Purchased goods for cash.	500
15	Invoice received from Jay Jay.	3,250
18	Received a debit note from Jay Jay for goods undercharged.	350
22	Bought goods from Sky Win.	2,550
23	Purchased goods from Charlie Trading.	1,790
25	Purchased a computer for office use.	3,000
28	Sent invoice to SMARTeve.	2,670
29	Received a debit note from Sky Win.	120

You are required to prepare:

- a) Purchases Journal.
- b) Returns Outwards Journal.

(Purchases Journal: RM18,460; Returns Outwards Journal: RM620)

QUESTION 7

On 1 April 2011, Ewanam Enterprise commenced business with the following assets:

Cash RM2,000

Bank RM30,000.

During the month of April 2011, Ewanam Enterprise had the following transactions:

Date	Transaction	Amount (RM)
2011		
April 2	Sent invoice to Artak Design.	20,000
3	Cash sales to Gangga.	1,000
6	Sold goods to Wong & Wong.	5,000
9	Sold goods to Mohd Zaidi.	6,900
13	Artak Design returned unsatisfactory goods.	1,000
17	Sold goods to Awina RM4,000 with trade discount of 20% and credit term was 5/10 nett.	
20	Supplied goods to Evan on credit.	3,000
21	Zaidi returned goods damaged in transit.	510
22	Sent Evan a credit note for invoice overcharged.	380
24	Sent CRZ Market an invoice for RM 4,500 and 10% trade discount.	
27	Sold goods on credit to Ricxon.	7,900

You are required to prepare:

- Sales Journal.
- Returns Inwards Journal.

(Sales Journal: RM50,050; Returns Inwards Journal: RM1,890)



QUESTION 8

Paul, a sole proprietor started his business on 1 July 2011. The following transactions occurred in July 2011.

Date	Transaction
2011 July 1	Opened a current account at Malayan Banking Berhad with RM25,000.
2	Bought goods on credit RM5,000 from Linda.
5	Purchased vehicle from Kipas Motors RM37,000 for office use.
6	Sent invoice to Syakir RM3,000.
7	Cash sales RM6,000. Banked in the amount on the same day.
8	Received credit note from Linda RM420.
9	Purchased goods from Dania RM1,380.
11	Malik purchased goods RM9,200.
13	Sold goods to Samy Vellu RM2,000.
15	Returned damaged goods to Dania RM180.
18	Purchased goods on credit from Sani RM5,000.
20	Malik returned faulty goods RM 745.
25	Sold goods on credit to Samy Vellu RM 1,000.
29	Returned unsatisfactory goods to Sani RM 810.

You are required to record the above transactions in the appropriate journals:

- a) Sales Journal
- b) Returns Inwards Journal
- c) Purchases Journal
- d) Returns Outwards Journal
- e) General Journal

(Sales Journal: RM15,200; Returns Inwards Journal: RM745; Purchases Journal: RM11,380; Returns Outwards Journal: RM1,410)

QUESTION 9

On 1 November 2011, Maven commenced business with the following assets and liabilities:

Cash	RM 1,500
Bank	RM 45,000
Land & Building	RM 97,000
Loan	RM 30,000

During the month of November 2011, Maven had the following transactions:

Date	Transaction	RM
2011 Nov. 3	Purchased goods on credit from Sofea.	8,600
4	Purchased a delivery van on credit from Kereta Emas Co. for RM47,500 and paid a deposit of RM3,500 by cheque.	
5	Received a credit note from Sofea for the goods damaged in transit.	627
6	Cash sales.	800
7	The owner withdrew goods for personal use.	490
8	Bought office furniture and paid by cheque.	1,500
10	Paid wages by cheque.	2,060
11	Sold goods to Sunshine Trading.	9,600
13	Issued an invoice to Ramasamy for goods sold	7,480
14	Cash sales. Banked in the amount on the same day.	980
15	Sent an invoice to Bee & Yee.	9,450
17	Sent a debit note to Bee & Yee for invoice undercharged on 15 November.	700
20	Received an invoice from Jenny Rogers.	5,780
24	Cash sales.	300
28	Maven took cash from office for his own use.	450

You are required to record the above transactions in the appropriate Journals and Cash Book.

(Cash book: Cash balance: RM2,150; Bank balance: RM38,920; Purchases Journal: RM14,380; Sales Journal: RM27,230; Returns Outwards Journal: RM627)



QUESTION 10

On 1 July 2011, Jasper as the owner of Inno Home Trading, selling electrical equipment with cash in hand RM4,000 & cash at bank RM50,000. The following transactions occurred in the month of July 2011.

Date	Transaction
2011	
July 2	Bought office equipment RM 5,000 by cheque.
5	Bought goods listed at RM6,000 from Mayra. A 15% trade discount and a 2/14 nett were given.
6	Issued invoice to Muthu RM3,330 for the goods sold.
7	Issued cheque RM480 for paying his personal insurance premium.
8	Cash sales RM3,300. Banked in the amount on the same day.
13	Purchased an air-conditioner RM2,800 and paid by cheque.
15	Settled payment to Mayra for the goods bought on 5 July by cheque.
16	A cheque amounting to RM6,000 was issued to open a fixed deposit account.
18	Sent invoice to Huda Trading RM2,500 for the goods sold.
21	Sent credit note to Huda Trading RM310 for goods returned.
23	Received invoice from Azlin Enterprise RM3,700.
25	Received commission by cash RM210.
26	Returned incorrect goods to Azlin Enterprise RM 500.
28	Transferred cash in hand to bank RM300.
29	Paid salary by cheque RM1,800.
30	Withdrew cash RM 1,000 for own use.

You are required to record the above transactions in the:

- a) Special journals.
- b) General journal.

(Purchases Journal: RM8,800; Returns Outwards Journal: RM500; Sales Journal: RM5,830; Returns Inwards Journal: RM310; Cash Book: Bank balance: RM32,522; Cash balance RM2,910)

QUESTION 11

On 1 April 2011, Rohaya commenced business as a nursery operator and landscaping designer at Mantin. Her transactions in April 2011 were as below:

Date	Transaction
2011	
April 3	Started business with cash in hand RM1,000, cash at bank RM14,000.
6	Bought a computer and printer for office use RM2,500, paid by cheque.
8	Cash sales RM1,500.
9	Purchased flower pots from Fraser Hill Pottery RM3,500.
11	Sent an invoice to Jabatan Kerjasama for landscape designing RM3,000.
13	Rohaya took RM450 cash from office to pay for her own utility bills.
15	Purchased seeds RM50 for cash.
17	Sold plants and potteries to Anida RM600.
18	Anida settled all her debts RM550 by cheque.
20	Rohaya took a loan from Hong Leong Bank RM20,000 to buy a piece of land for expanding the business.
22	Returned some defective pots to Fraser's Hill Pottery RM250.
23	Bought a lorry RM55,000 for business use. Paid RM5,500 by cheque as down payment and the balance will be paid by installment to Malayan Banking Berhad.
26	Paid salaries RM2,000 by cheque.
27	Took a pot of orchid RM100 to her mother as her birthday gift.
29	Advertised her business in Mudah.com RM200. Payment was made by cash.
30	Paid miscellaneous expenses RM250 by cash.

- You are required to:
- a) enter the transactions of April 2011 in the appropriate Books of First Entry.
 - b) post the entries to relevant ledger accounts.

Cash: RM1,550	Bank: RM4,550	Capital: RM15,000
Office equipment: RM2,500	Sales: RM5,100	Purchases: RM3,450
Fraser Hill Pottery: RM3,250	Jab. Kerjasama: RM3,000	Drawings: RM550
Loan-HL Bank: RM20,000	Returns outwards: RM250	Vehicle: RM55,000
Mal. Banking Bhd.: RM49,500	Salaries: RM2,000	Advertising: RM200
Miscellaneous expenses: RM250	Land: RM20,000	Discount allowed: RM50

QUESTION 12

Remy, a furniture distributor, had the following transactions in June 2011.

Month	Date	Transaction	RM
June	1	Commenced business with cash in hand RM3,000 & cash at bank RM120,000.	
	2	Purchased cupboards and paid by cheque.	15,500
	4	Bought stationery by cash.	180
	5	Sold furniture to Riki Furniture Enterprise.	10,200
	7	Paid rent with cheque.	2,700
	7	Bought a computer RM2,500 for cash from Apple Computer Centre.	
	8	Purchased sofa sets from Alpro Furniture Trading on credit.	22,500
	9	Paid carriage outwards by cash.	1,220
	10	Remy took a cupboard as gift for his child.	650
	12	Transferred cash from bank for office use.	2,000
	13	Returned unsuitable goods to Alpro Furniture Trading.	2,700
	14	Purchased shelves, tables & chairs and paid by cheque.	1,650
	16	Paid commission to salesmen by cash.	1,000
	18	Cash sales.	1,600
	19	Purchased book shelves from Laily Furniture RM15,600 at listed price with 20% trade discount.	
	21	Full settlement of Alpro Furniture Trading by cheque & discount received RM800.	
	23	Riki Furniture Trading settled all the debts by cheque & discount allowed 10%.	
	24	Bought a vehicle from Ally Azran Trading RM50,000 on credit.	
	25	Brought in an iPad from his home for the usage of the business.	1,200
	27	Cash sales.	1,000
	30	Paid salary by cash.	1,000
		Transferred 50% of the cash balance to bank.	

- You are required to
- a) record the above transactions of June in the appropriate journals.
 - b) post the journals to relevant ledger accounts.

Cash: RM850
Stationery: RM180
Sales: RM12,800
Dis. received: RM800
Salary: RM1,000
Returns outwards: RM2,700

Bank: RM89,180
Purchases: RM51,480
Off. Equipment: RM3,700
Discount allowed: RM1,020
Carriage outwards: RM1,220
Ally Azran: RM50,000

Capital: RM124,200
Rent: RM2,700
Laily Furniture: RM12,480
Vehicle: RM50,000
Drawings: RM650
Commission: RM1,000

QUESTION 13

Subramaniam, the owner of Wajina Trading selling computers and accessories in Port Dickson, commenced business on 1 October 2011 with the following assets and liabilities.

	RM
Cash at bank	100,000
Furniture	8,000
Van	12,000
Loan from MBSB	50,000

Below are the transactions in the month of October 2011:

Month	Date	Transaction	RM
October	5	Purchased computers from Chan & Gan Trading	18,500
	8	Purchased display cabinets RM8,000 from Eco Furniture for the use of business. RM2,000 was paid as down payment and balance will be settled in 60 days.	
	9	Purchased notebooks and paid by cheque.	7,900
	10	Subramaniam withdrew a wireless mouse for personal use.	170
	11	Received credit note from Chan & Gan Trading.	2,500
	12	Cash sales and the amount was banked in on the same day.	2,100
	15	Sold computer sets to Dynamic Enterprise.	9,200
	20	Paid loan installment RM5,000 and loan interest RM750 to MBSB by cheque	
	21	Paid Chan &Gan Trading by cheque to settle the full amount due.	15,000
	22	Issued a cheque for paying his personal medical bill.	400
	23	Sent Dynamic Enterprise a credit note for faulty accessories returned.	1,800
	25	Received cheque from Dynamic Enterprise.	5,000
	26	Bought stationery and paid by cheque.	200
	27	Paid general expenses by cheque.	700
	29	Cash sales RM3,000. Out of which RM2,000 was used to pay office salaries and the balance was banked into business bank account.	

- You are required to:
- a) record the above transactions of October in the appropriate Books of First Entry.
 - b) post the entries to relevant ledger accounts.

Capital: RM70,000	Bank: RM76,150	Furniture: RM16,000
Loan: RM45,000	Purchases: RM26,230	Eco Furniture: RM6,000
Drawings: RM570	Ret. outwards: RM2,500	Sales: RM14,300
Stationery: RM200	Salary: RM2,000	Dis. Received: RM1,000
Van: RM12,000	Dynamic Enterprise.: RM2,400	Interest on Loan: RM750
Returns inwards: RM1,800	General expenses: RM700	

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QUESTION 14

On 1 September 2011, Nadira, an operator of Green Family Supermarket at Beranang had the following assets and liabilities:

	RM
Cash at bank	80,000
Stock	16,200
Cash in hand	5,000
Land and buildings	60,000
Debtors – Tam	5,800
Don	2,400
Creditors – Wani	5,200
Rose	7,600

During the month of September 2011, Green Family Supermarket had the following transactions:

Date	Transaction	RM
2011		
Sept 2	Sold goods on credit to Don.	8,900
3	Purchased goods from Ace & Koo.	7,600
6	Cash sales by cheque.	2,100
8	Paid Wani the amount owing less 5% discount by cash.	
10	Received cheque RM2,280 from Don and allowed discount RM120.	
11	Credit sales to Tam.	1,700
12	Don returned damaged goods.	750
13	Paid Rose RM7,320 by cheque and received discount RM280.	
15	Purchased goods for cheque.	3,400
16	Received invoice for goods purchased from Rose.	7,450
17	Paid salaries by cheque.	4,600
18	Paid general expenses by cheque.	350
19	Returned incorrect goods to Rose.	600
21	Issued invoice to Tam for goods sold.	4,260
23	Cash sales and banked in the amount on the same day.	3,900
28	Received invoice from Chan Furniture for cabinets bought.	3,500
29	Sent credit notes to Tam for goods damaged in transit.	390
30	Sent invoice to Don for goods listed at RM5,800 less trade discount 5%.	

- You are required to:
- a) record the above transactions of September in appropriate journals.
 - b) post the entries in the journals to relevant ledger accounts.

Capital: RM156,600
Don: RM13,660
Ace & Koo: RM7,600
Tam: RM11,370
Salary: RM4,600
Office furniture: RM3,500
Land & Building: RM60,000

Bank: RM72,610
Cash: RM60
Dis. received: RM540
Returns inwards: RM1,140
General expenses: RM350
Chan Furniture: RM3,500

Sales: RM26,370
Purchases: RM18,450
Dis. allowed: RM120
Rose: RM6,850
Returns outwards: RM600
Stock: RM16,200

QUESTION 15

Mania is the proprietor of Mania Perfumes Enterprise selling perfumes in Senawang. She had the following balances extracted from the business accounting records on 1 January 2011:

	RM
Cash in hand	3,000
Bank overdraft	5,000
Fixtures & Fittings	2,000
Debtors – Ahmad	7,000
Karim	4,500
Creditors – Didi	5,550
Rama	2,000
Stock	2,895

The following transactions took place during the month of January 2011:

Date	Transaction
Jan 2	Purchased a van RM70,000 from KIA Motor Trading Bhd. on credit.
3	Purchased goods on credit from Ma & Ma RM7,000.
6	Cash sales to Dania RM320.
10	Invoiced Lee Perfume Enterprise RM 20,000.
11	Ma & Ma issued a credit note RM500 for goods returned.
15	Sold goods on credit to Ahmad for list price RM3,300. Trade discount 10%.
16	Issued a credit note to Lee Perfume Enterprise RM1,000 for goods damaged in transit.
17	Sent Karim an invoice for list price RM11,250 less 10% Trade discount.
20	Sent credit note to Ahmad RM500 for unsatisfactory goods returned.
22	Mania took RM800 cash from the office to repair office van.
23	Received full settlement of invoice dated 10 January 2011 from Lee Perfume Enterprise RM17,800.
25	Commission received RM 450 by cheque.
26	Received cheque from Karim, being full settlement of the amount owing after allowing him cash discount 5%.
27	Purchased perfumes from Tom RM4,000.
28	Mania took a bottle of perfume from the office RM200 as a birthday gift to her friend.
29	Paid office rental RM1,200 by cheque.
30	Paid Rama RM1,800 by cheque.
31	Paid Abu, the shop assistant monthly salary of RM1,200 by cheque.

You are required to:

- record the above transactions in journals (including Cash Book).
- post the entries in the journals to relevant ledger accounts.

Cash: RM2,520

Ahmad: RM9,470

Vehicle: RM70,000

Ma&Ma: RM6,500

Disc. Rec.: RM200

Disc Allowed: RM1,831

Drawings: RM200

Capital: RM6,845

Bank: RM22,944

Didi: RM5,550

Kia Motor Trading: RM70,000

Sales: RM33,415

Ret. Inw.: RM1,600

Comm. Rec: RM450

Rent: RM1,200

Fix. & Fittings: RM2,000

Stock: RM2,895

Purchases: RM10,800

Ret. Out.: RM500

Upkeep of MV: RM800

Tom: RM4,000

Salary: RM1,200





The Trial Balance

QUESTION 1

Below is the list of accounts of Shafiqah Trading.

You are required to:

- a. indicate types of account (Assets/Liabilities/Owner's equity/Expenses/Revenues).
- b. identify the normal balance of each account by putting a tick(✓) in the correct column (Debit or Credit).

Account	Types of account	Debit	Credit
Capital			
Bank			
Debtors			
Creditors			
Building			
Plant and machinery			
Motor vehicle			
Fixtures and fittings			
Furniture			
Office equipment			
Fixed deposit			
Loan			
Drawings			
Purchases			
Sales			
General expenses			
Preliminary expenses			
Freight inwards			
Freight outwards			
Commission received			
Wages and salaries			
Interest received			
Rent paid			
Discount received			
Travelling expenses			
Discount allowed			
Advertisement expenses			
Utilities			
Insurance paid			
Printing and stationery			
Interest paid			

QUESTION 2

The following accounts are taken from the books of Excellent Trading on 31 January 2011.

Debit		Cash Book				Credit	
DATE	PARTICULAR	CASH RM	BANK RM	DATE	PARTICULAR	CASH RM	BANK RM
2011				2011			
Jan 1	Balance b/d	3,800	18,600	Jan 9	Purchases a/c		5,600
6	Madina	1,000		18	Purchases a/c	2,200	
8	Kelvin		3,100	23	Travelling expenses a/c	1,200	
29	Sales a/c	1,650		25	Salaries a/c		4,800
10	Sales a/c		7,300	26	Kencana	1,600	
				28	Sufiah		4,300
		6,450	29,000			6,450	29,000

LEDGERS

Debit		Madina		Credit	
DATE	PARTICULAR	AMOUNT RM	DATE	PARTICULAR	AMOUNT RM
2011			2011		
Jan 1	Balance b/d	5,200	Jan 6	Cash a/c	1,000

Debit		Kelvin		Credit	
DATE	PARTICULAR	AMOUNT RM	DATE	PARTICULAR	AMOUNT RM
2011			2011		
Jan 1	Balance b/d	6,800	Jan 8	Bank a/c	3,100

Debit		Kencana		Credit	
DATE	PARTICULAR	AMOUNT RM	DATE	PARTICULAR	AMOUNT RM
2011			2011		
Jan 26	Cash a/c	1,600	Jan 1	Balance b/d	3,500

Debit		Sufiah		Credit	
DATE	PARTICULAR	AMOUNT RM	DATE	PARTICULAR	AMOUNT RM
2011			2011		
Jan 1	Bank a/c	4,300	Jan 8	Balance b/d	8,800

Debit		Purchase a/c		Credit	
DATE	PARTICULAR	AMOUNT RM	DATE	PARTICULAR	AMOUNT RM
2011					
Jan 9	Bank a/c	5,600			
18	Cash a/c	2,200			

Debit			Travelling expenses a/c			Credit
DATE	PARTICULAR	AMOUNT RM	DATE	PARTICULAR	AMOUNT RM	
2011 Jan 23	Cash a/c	1,200				

Debit			Salaries a/c			Credit
DATE	PARTICULAR	AMOUNT RM	DATE	PARTICULAR	AMOUNT RM	
2011 Jan 1	Bank a/c	4,800				

Debit			Sales a/c			Credit
DATE	PARTICULAR	AMOUNT RM	DATE	PARTICULAR	AMOUNT RM	
			2011 Jan 29	Cash a/c	1,650	
			30	Bank a/c	7,300	

Debit			Capital a/c			Credit
DATE	PARTICULAR	AMOUNT RM	DATE	PARTICULAR	AMOUNT RM	
			2011 Jan 1	Balance b/d	22,100	

- You are required to:
- i) close the Cash book.
 - ii) balance off the accounts.
 - iii) prepare the Trial Balance of Excellent Trading as at 31 January 2011.

(Trial Balance: RM37,450)

QUESTION 3

Lina Trading sells sports equipment. The following are the business transactions of Lina Trading in September 2011.

Date	Transaction	RM
2011		
September 1	Cash	1,000
	Bank	34,000
	Stock (1 September 2011)	10,000
	Machinery	50,000
	Furniture	6,000
	Debtors - Alia	5,000
	- Karmila	12,500
	Loan	50,000
	Creditors - Izzati	10,000
2	Bought goods on credit from Firdaus.	8,000
3	Cash sales.	2,050
4	Sold goods on credit to Ramesh.	7,650
5	Received a cheque from Alia for settlement of his account.	5,000
6	Payment made to Izzati by cheque, in full settlement.	9,950
9	Owner took goods for his own use.	400
10	Cash purchases.	2,000
11	Karmila paid by cheque as full settlement of his account.	12,000
11	Paid machinery maintenance by cash.	500
13	Purchased goods on credit from Chong.	10,000
13	Returned faulty goods to Firdaus.	250
16	Received cheque from Ramesh.	5,000
17	Paid Chong by cheque.	8,000
18	Bank returned the cheque received from Ramesh with the comment 'refer to drawer'.	
19	Cash sales.	2,500
21	Cash deposited into bank.	2,000
25	Paid water and electricity bills by cash.	450
28	Paid advertisement through online banking.	730
30	Paid rent by cheque.	1,200

You are required to:

- record the above transactions in the appropriate books of first entry.
- post the entries to relevant ledger accounts.
- prepare the Trial Balance of Lina Trading as at 30 September 2011.

(Trial Balance: RM130,750)



QUESTION 4

Below are the business transactions of Selvam Hardware in the month of January, 2011:

Date	Transaction	RM
2011 Jan. 1	Selvam commenced business with: cash at bank cash in hand	117,000 3,000
2	Bought furniture and paid by cheque.	24,000
2	Purchased goods on credit from Vince Trading.	36,000
3	Received cheque for cash sales.	4,800
4	Paid rent with cheque.	3,000
6	Issued invoice to Gina Enterprise for goods sold.	9,000
7	Gina Enterprise returned defective goods sent on 6 January 2011.	450
10	Purchased goods on credit from Najmi.	24,000
11	Returned damaged goods to Najmi.	600
14	Paid advertising expenses with cheque.	1,500
15	Bought stationery for cash.	300
17	Drew cash for paying personal insurance.	2,400
20	Cash sales.	9,600
21	Received cheque from Gina.	2,550
23	Paid Vince by cheque.	24,000
24	Credit sales to Aiman.	15,000
28	Cash sales and deposited into the bank.	6,000
28	Paid salaries with cheque.	6,000
	Paid water and electricity bills with cash.	1,200
	Paid office rental with cash.	1,500

You are required to:

- record the above transactions of January 2011 in the appropriate books of first entry.
- post the entries to relevant ledger accounts.
- prepare the Trial Balance of Selvam Hardware as at 31 January 2011.

(Trial Balance: RM200,400)

QUESTION 5

The following Trial Balance of Gemilang Trading is incorrect. You are required to redraft it correctly.

GEMILANG TRADING
Trial Balance as at 31 December 2011

Name of account	Debit (RM)	Credit (RM)
Bank overdraft	6,600	
Fixtures and fittings depreciation		5,590
Transportation	3,300	
Salaries and Wages		9,320
Insurance paid		2,700
Fixtures and Fittings	41,230	
Capital	53,000	
Opening stock (1/1/2011)		550
Advertising	1,620	
Cash	820	
Closing stock (31/12/2011)	900	
Sales		94,300
Trade debtors	7,000	
Purchases		51,140
Drawings		3,500
Premises		36,980
Trade creditors		9,800
Interest on overdraft	300	
Discount received		600
Discount allowed	250	
	115,020	214,480

[Note: Closing stock (31/12/2011) will not be shown in the Trial Balance]

(Trial Balance: RM164,300)

QUESTION 6

The following Trial Balance of Faezah Trading has been prepared by her book-keeper. You as a senior accountant are requested to reconstruct the Trial Balance after making the necessary corrections.

FAEZAH TRADING
Trial Balance as at 31 March 2011

Name of account	Debit (RM)	Credit (RM)
Capital		58,950
Drawings	1,050	
Opening inventory	3,725	
Purchases	63,100	
Sales		74, 425
Salaries and wages	6,205	
Lighting and heating expenses	1,310	
Equipment	3,600	
Carriage outwards		230
Sales returns	1,290	
Purchases returns		1,290
Postages and telephone	350	
Discount allowed	1,285	
Discount received		1,100
Insurance	1,115	
Motor vehicle	51,474	
Cash in hand	1,100	
Accounts receivable		8,221
Accounts payable	4,945	
Bank overdraft	3,345	
	143,684	144,426

(Trial Balance: RM144,055)

QUESTION 7

The following Trial Balance of Mesra Trading contained a number of errors even though the debit balance and credit balance are equal. You are required to redraft the Trial Balance of Mesra Trading as at 30 June 2011.

MESRA TRADING
Trial Balance as at 30 June 2011

Account Title	Debit (RM)	Credit (RM)
Opening inventory	8,500	
Motor vehicle	51,230	
Sundry creditors	7,000	
Bank overdraft	1,500	
Capital		67,000
Furniture		34,250
Discount Allowed	90	
Sales	87,000	
Loan from Agro Bank	20,000	
Carriage inwards	270	
Sundry debtors		6,550
Purchases		62,700
Salaries		7,200
Water and electricity bills		2,400
Investment	3,000	
Interest on investment		950
Returns inwards	900	
Returns outwards	300	
Insurance premium	360	
Interest on loan	300	
Bad debts		1,200
Drawings		1,500
Preliminary expenses	3,300	
	183,750	183,750

(Trial Balance: RM183,750)



QUESTION 8

The Trial Balance of Amin Trading shown below does not balance. You are required to prepare the correct Trial Balance of Amin Trading as at 31 March 2011.

AMIN TRADING
Trial balance as at 31 March 2011

Name of account	Debit (RM)	Credit (RM)
Capital		140,000
Drawings	32,500	
Stock (1 April 2010)	154,450	
Returns inwards		5,540
Carriage inwards	12,400	
Bank		33,750
Returns outwards	8,400	
Carriage outwards		7,250
Loan to Amir (Staff)		10,000
Salaries and wages	15,740	
Rent received	1,300	
Stock (31 March 2011)		187,920
Purchases	129,700	
Accounts receivable	40,000	
Accounts payable		30,000
Goodwill	17,300	
Advertisement expenses	9,540	
Discount received		12,000
Bad debts	4,000	
Furniture	5,000	
Discount allowed		3,300
Commission received		10,000
Cash	620	
Sales		279,390
	430,950	719,150

(Trial Balance: RM481,090)

QUESTION 9

Atiqah is an inexperienced book-keeper who has prepared the Trial Balance of Alia Trading. Even though both the balances are equal, the Trial Balance contains a number of errors. You as a senior accountant are required to rewrite the Trial Balance of Alia Trading as at 30 April 2011.

ALIA TRADING
Trial Balance as at 30 April 2011

Name of account	Debit (RM)	Credit (RM)
Purchases and Sales	99,800	157,600
Returns outwards		1,900
Drawings		3,500
Postages and stationery	880	
Advertising	1,700	
Bad debts	1,910	
Lighting and heating expenses	924	
Water and electricity	660	
Returns inwards		2,780
Discount Allowed	1,700	
Accounts Payable		12,763
Commission received		2,463
Accounts receivable	9,860	
Bad debts recovered	650	
Discount received	2,195	
Fixtures and fittings	5,432	
Capital		77,000
Petty cash	600	
Delivery van	61,000	
Customs duties		740
Mortgage on land		80,000
Inventory on 1 May 2010	4,300	
Bank overdraft	5,980	
Loan from Bank Rakyat		50,000
Insurance on purchases	870	
Land	135,000	
Interest paid		2,100
Inventory on 30 April 2011	1,490	
Motor vehicle	50,495	
Carriage inwards		450
Repairs and maintenance	800	
Depreciation expense - Motor vehicle		5,050
	391,296	391,296

(Trial Balance: RM390,551)

QUESTION 10

From the following list of ledger balances extracted from the books of Cinta Enterprise on 30 June 2011, you are required to prepare the Trial Balance of Cinta Enterprise as at 30 June 2011.

Name of account	RM
Capital	80,000
Cash	1,000
Furniture	20,000
Bank Overdraft	15,000
Debtors	25,000
Premises	60,000
Motor Vehicle	40,000
Sales	45,000
Purchases	21,000
Salaries	5,000
Insurance on purchases	1,350
Interest on overdraft	2,650
Travelling expenses	2,000
Water and electricity	2,000
Creditors	30,000
Rent received	10,000

(Trial Balance: RM180,000)

QUESTION 11

The following balances are taken from the accounting books of Sayang Enterprise on 31 July 2011:

Name of account	RM	Name of account	RM
Opening stocks	9,600	Trade debtors	23,800
Capital	100,000	Trade creditors	12,500
Purchases	223,100	Commission paid	8,900
Sales	271,800	Rent paid	15,000
Carriage inwards	4,700	Water and electricity	9,300
Purchases returns	1,800	Fixtures and fittings	35,000
Sales returns	2,500	Cash in hand	3,000
Office equipment	20,000	Loan	50,000
Interest on loan	4,200	Insurance paid	7,500
Withdrawals	2,500	Patent	27,000
Bank	40,000		

You are required to prepare the Trial Balance of Sayang Enterprise as at 31 July 2011.

(Trial Balance: RM436,100)

QUESTION 12

The following is a list of balances extracted from the ledger of BEST Enterprise on 31 July 2011.

BEST ENTERPRISE
Trial Balance as at 31 July 2011

Name of account	RM
Capital	59,330
Drawings	2,130
Petrol expenses	1,300
Stationery	213
Cash in hand	1,290
Cash at bank	16,770
Purchases	50,270
Sales	80,750
Opening inventory	5,260
Water and electricity	1,560
Salaries	3,140
Dividend received	1,333
Accounts receivable	15,100
Accounts payable	14,560
Investment	13,600
Discount allowed	1,470
Discount received	1,190
Returns outwards	5,470
Returns inwards	2,820
Premises	53,760
Freight inwards	635
Advertising	600
Freight outwards	715
Rent received	8,000

You are required to prepare the Trial Balance of BEST Enterprise as at 31 July 2011.

(Trial Balance: RM170,633)

QUESTION 13

The following balances are extracted from the books of Wangi Trading. You are requested to prepare the Trial Balance of Wangi Trading as at 31 December 2011.

WANGI TRADING
Trial Balance as at 31 December 2011

Name of account	RM
Premises	42,000
Furniture	5,000
Office equipment	6,000
Machinery	25,000
Cash	630
Fixed deposit	10,000
Bank	3,500
Debentures	12,000
Commission paid	1,500
Commission received	4,000
Salaries	5,200
Advertising	1,750
Office insurance	2,450
Machinery maintenance	1,200
Rent Received	4,800
Miscellaneous expenses	1,200
Drawings	1,800
Accounts receivable	8,500
Interest received	3,000
Loan from government	20,000
Interest paid	1,870
Accounts payable	11,000
Assessment rates	2,500
Sales	90,300
Purchases	75,000
Capital	50,000

(Trial Balance: RM195,100)

QUESTION 13

The following balances are extracted from the books of Wangi Trading. You are requested to prepare the Trial Balance of Wangi Trading as at 31 December 2011.

WANGI TRADING
Trial Balance as at 31 December 2011

Name of account	RM
Premises	42,000
Furniture	5,000
Office equipment	6,000
Machinery	25,000
Cash	630
Fixed deposit	10,000
Bank	3,500
Debentures	12,000
Commission paid	1,500
Commission received	4,000
Salaries	5,200
Advertising	1,750
Office insurance	2,450
Machinery maintenance	1,200
Rent Received	4,800
Miscellaneous expenses	1,200
Drawings	1,800
Accounts receivable	8,500
Interest received	3,000
Loan from government	20,000
Interest paid	1,870
Accounts payable	11,000
Assessment rates	2,500
Sales	90,300
Purchases	75,000
Capital	50,000

(Trial Balance: RM195,100)

QUESTION 15

The following is a list of Quick Times Trading account balances that are presented on 31 March 2011. You are requested to prepare the Trial Balance of Quick Times Trading as at 31 March 2011.

QUICK TIMES TRADING
Trial Balance as at 31 March 2011

Name of account	RM
Sales	298,700
Tax expense	1,700
Purchases	201,300
Bonds	50,000
Travelling expenses	2,100
Accounts receivable	29,870
Rent received	24,000
Unit Trust - Public Bank	10,000
Furniture	7,800
Depreciation expense - Furniture	700
Stationery	310
Plant and equipment	99,000
Depreciation expense - Plant and equipment	9,900
Utilities	1,800
Advertising	1,420
Accounts payable	20,130
Water and electricity	3,600
Bad debts	1,200
Interest on bonds	3,756
Dividends received - Unit Trust	800
Drawings	2,000
Capital	61,500
Cash in hand	1,100
Bank	15,000
Salesman commission	3,500
Salaries and wages	18,000
Miscellaneous expenses	1,300
Inventory on 1 April 2010	3,000
Sales returns	800
Freehold premises	35,000
Discount received	2,013
Discount allowed	2,987

(Trial Balance: RM457,143)

Financial Statements

QUESTION 1

The following is the Trial Balance of Ahmad, a sole trader as at 31 December 2011:

AHMAD
Trial Balance as at 31 December 2011

	Debit (RM)	Credit (RM)
Capital		52,140
Drawings	1,600	
Bank	5,800	
Cash	460	
Sales		76,400
Purchases	46,300	
Sales returns	1,200	
Purchases returns		890
Wages on purchases	700	
Interest received		561
Interest paid	387	
Stock at 1 January 2011	8,500	
Carriage inwards	650	
Carriage outwards	1,600	
Debtors	15,000	
Creditors		27,000
Commission received		400
Commission paid	274	
Motor vehicles	40,000	
Salaries	6,800	
Rent and rates	4,100	
Light and heat	3,200	
Fixtures and fittings	19,290	
Telephone and postage	1,700	
Discount allowed	150	
Discount received		320
	157,711	157,711

The stock on 31 December 2011 was valued at RM13,500.

You are required to prepare:

- a) the Income Statement for the year ended 31 December 2011.
- b) the Balance Sheet as at 31 December 2011.

Gross Profit: RM33,440
Net Profit: RM16,510
Balance Sheet: RM94,050

QUESTION 2

Sung is a retailer. The following is the Trial Balance extracted from the books of Sung on 31 December 2011.

SUNG
Trial Balance as at 31 December 2011

	Debit (RM)	Credit (RM)
Stock at 1 January 2011	4,500	
Purchases	12,389	
Sales		25,950
Returns inwards	62	
Returns outwards		300
Salaries	3,000	
Wages on purchases	800	
Rent received		504
Rent paid	1,200	
Insurance	78	
Carriage outwards	164	
Carriage inwards	368	
Discount allowed	500	
Discount received		728
Light and heat	300	
Sundry expenses	616	
Premises	55,000	
Motor vehicles	36,800	
Furniture	1,350	
Debtors	8,896	
Creditors		5,850
Cash at bank	9,275	
Cash in hand	162	
Drawings	1,200	
Capital		71,036
Interest received		640
Commission received		1,000
Commission paid	548	
Loan		31,200
	137,208	137,208

The stock on 31 December 2011 was valued at RM9,700.

You are required to prepare:

- a) the Income Statement for the year ended 31 December 2011.
- b) the Balance Sheet as at 31 December 2011.

Gross Profit: RM17,831
Net Profit: RM14,297
Balance Sheet: RM121,183

QUESTION 3

Mohammad Shafie runs a small grocery shop. The following balances were extracted from his books on 31 December 2011.

	RM
Capital, 1 January 2011	60,000
Opening inventory	3,363
Cash at bank	9,487
Accounts payable	7,450
Accounts receivable	10,500
Cash in hand	896
Drawings	200
Office equipment	4,500
Insurance	180
Commission received	730
Interest received	430
Transportation in	160
Transportation out	20
Loan	36,000
Motor expenses	500
Motor vehicles	30,662
Commission paid	410
Discount expense	340
Discount revenue	520
Rent paid	900
Interest on loan	1,750
Rent received	1,000
Premises	54,000
Purchases	22,389
Sales	43,500
Sales returns	373
Purchases returns	710
Salaries	2,430
Fixed deposit	5,000
Bad debts	1,000
Sundry expenses	600
Wages on purchases	500

The stock on 31 December 2011 was valued at RM9,850

You are required to prepare:

- the Income Statement for the year ended 31 December 2011.
- the Balance Sheet as at 31 December 2011.

Gross Profit: RM27,275

Net Profit: RM21,645

Balance Sheet: RM124,895



QUESTION 4

You are given the following Trial Balance of Lee Home Furniture as at 31 March 2011.

LEE HOME FURNITURE
Trial Balance as at 31 March 2011

	Debit (RM)	Credit (RM)
Opening inventory	4,000	
Wages on purchases	1,500	
Sundry expenses	800	
Sales		18,800
Purchases	10,650	
Returns inwards	450	
Returns outwards		500
Rent received		800
Rent paid	1,000	
Salaries	3,000	
Land and premises	63,000	
Import Duties	100	
Sales discount	430	
Purchases discount		738
Vehicles	40,000	
Motor expenses	1,000	
Long-term loan		40,000
Interest revenue		700
Insurance	340	
Fixed deposit	10,000	
Furniture	7,100	
Insurance on purchases	300	
Drawings	900	
Sundry Debtors	16,468	
Sundry Creditors		9,560
Commission received		620
Cash	500	
Bank		2,300
Carriage on purchases	430	
Carriage on sales	200	
Capital, 1 April 2010		88,920
Bad debts	770	
	162,938	162,938

The stock on 31 March 2011 was valued at RM7,200.

You are required to prepare:

- the Income Statement for the year ended 31 March 2011.
- the Balance Sheet as at 31 March 2011.

Gross Profit: RM9,070

Net Profit: RM4,388

Balance Sheet: RM144,268

QUESTION 5

The following represents the Trial Balance extracted from the books of S. Vellu at the close of business on 31 December 2011.

S. VELLU
Trial Balance as at 31 December 2011

	Debit (RM)	Credit (RM)
Capital, 1 January 2011		88,000
Opening stock	6,230	
Purchases	25,980	
Sales		41,230
Purchases returns		312
Sales returns	579	
Accounts receivable	28,465	
Accounts payable		19,923
Postage and telephone	912	
Rates and taxes	1,347	
Commission paid	689	
Discount allowed	731	
Discount received		856
Insurance	1,660	
Land and building	59,500	
Investment	20,000	
Office expenses	980	
Interest on investment		600
Wages on purchases	340	
Fixtures and fittings	2,305	
Freight inwards	765	
Freight outwards	1,059	
Rent paid	3,750	
Rent received		500
Printing and stationery	570	
Cash	845	
Bank		7,096
Drawings	910	
Salaries	10,200	
Donation	700	
Loan		10,000
	168,517	168,517

The stock on 31 December 2011 was valued at RM9,258.

You are required to prepare:

- the Income Statement for the year ended 31 December 2011.
- the Balance Sheet as at 31 December 2011.

Gross Profit: RM16,906

Net Loss: RM3,736

Balance Sheet: RM120,373



QUESTION 6

Vivien Ong is the owner of GOOD MART. On 30 June 2011, the end of her financial year, the following balances have been extracted from her books:

GOOD MART
Trial Balance as at 30 June 2011

	Debit (RM)	Credit (RM)
Inventory at 1 July 2010	4,786	
Bad debts	710	
Capital		89,958
Carriage inwards	500	
Carriage outwards	620	
Cash at bank	4,351	
Cash in hand	200	
Commission	440	320
Debtors and Creditors	8,760	6,920
Drawings	550	
Import Duties	280	
Fixed deposit	20,000	
Furniture	4,690	
Insurance on purchases	500	
Insurance	670	
Interest	489	677
Premises	45,214	
Long-term loan		55,000
General expenses	2,000	
Discount	660	825
Rent	490	724
Purchases and Sales	30,000	18,990
Returns	350	536
Salaries	2,450	
Motor Vehicles	44,000	
Motor expenses	550	
Wages on purchases	690	
	173,950	173,950

The stock on 30 June 2011 was valued at RM9,050.

You are required to prepare:

- the Income Statement for the year ended 30 June 2011.
- the Balance Sheet as at 30 June 2011.

Gross Loss: RM8,530

Net Loss: RM15,063

Balance Sheet: RM136,265

QUESTION 7

Rohayuddin owns a small grocery store. The following Trial Balance was drawn up for Rohayuddin on 31 December 2011.

ROHAYUDDIN
Trial Balance as at 31 December 2011

	Debit (RM)	Credit (RM)
Inventory at 1 Jan 2011	5,000	
Capital		97,904
Motor Car	56,000	
Salaries	5,600	
Purchases and Sales	27,650	30,580
Returns	340	510
Rent	500	611
Plant and Machinery	67,800	
Motor expenses	422	
Long-term loan		87,500
Office Equipment	4,390	
Interest	730	595
Wages on purchases	270	
Insurance	2,000	
Custom duties	340	
Sundry expenses	1,256	
Discount	440	765
Fixtures and fittings	9,217	
Fixed deposit	25,000	
Drawings	214	
Debtors and Creditors	11,565	8,532
Commission	854	498
Cash in hand	369	
Cash at bank	5,423	
Freight out	330	
Freight in	267	
Stationery	288	
Bad debts	1,230	
	227,495	227,495

Stock in hand 31 December 2011 is RM6,555 at cost price and RM7,900 at the market price.

You are required to prepare:

- a) the Income Statement for the year ended 31 December 2011.
- b) the Balance Sheet as at 31 December 2011.

Gross Profit: RM3,778
Net Loss: RM7,403
Balance Sheet: RM186,319



QUESTION 8

The Trial Balance of Wan Mohtar, a computer wholesaler on 31 December 2011 showed:

WAN MOHTAR
Trial Balance as at 31 December 2011

	Debit (RM)	Credit (RM)
Capital		100,000
Stock at 1 January 2011	7,850	
Delivery vehicles	55,200	
Investment	20,000	
Purchases and Sales	19,550	27,900
Returns	420	745
Vehicles maintenance	1,700	
Office equipment	3,590	
Rent	1,200	750
General expenses	1,320	
Bank Loan		55,700
Fixtures and fittings	5,210	
Interest on loan	1,500	
Insurance on purchases	350	
Insurance	1,890	
Interest on investment		600
Accounts payable		10,200
Accounts receivable	15,743	
Duties on purchases	650	
Printing expenses	700	
Salaries	9,830	
Drawings	500	
Cash	1,200	
Bank overdraft		13,891
Commission	340	515
Carriage outwards	470	
Carriage on purchases	374	
Discount	298	411
Postage and stationery	212	
Bad debts	465	
Premises	60,000	
Petty cash	150	
	210,712	210,712

The stock on 31 December 2011 was valued at RM9,320.

You are required to prepare:

- a) the Income Statement for the year ended 31 December 2011.
- b) the Balance Sheet as at 31 December 2011.

Gross Profit: RM8,771
Net Loss: RM8,878
Balance Sheet: RM170,413

QUESTION 9

Yusoff has been trading for some years as a store owner. The following Trial Balance has been extracted from his books on 30 September 2011, the end of his most recent financial year.

YUSOFF
Trial Balance as at 30 September 2011

	Debit (RM)	Credit (RM)
Capital		200,000
Stock at 1 October 2010	8,975	
Accounts payable		31,400
Accounts receivable	70,100	
Leasehold premises at cost	110,000	
Purchases and Sales	35,980	75,000
Returns	1,350	1,210
Equipment at cost	17,800	
Bank		12,079
Cash	2,400	
Wages and salaries	8,650	
Discount	1,175	1,368
Sundry expenses	2,658	
Motor vehicles at cost	60,300	
Rent	3,200	2,470
Carriage inwards	960	
Carriage outwards	874	
Insurance	2,340	
Commission	1,400	1,223
Plant and machinery at cost	34,500	
Insurance on purchases	760	
Rates and taxes	1,382	
Loan		50,000
Drawings	1,043	
Bad debts	2,055	
Interest on loan	2,500	
Salaries	2,081	
Website maintenance expenses	2,267	
	374,750	374,750

Additional information:

1. Stock in hand on 30 September 2011 has been valued at cost RM12,300.

You are required to prepare:

- a) the Income Statement for the year ended 30 September 2011.
- b) the Balance Sheet as at 30 September 2011.

Gross Profit: RM40,485

Net Profit: RM14,964

Balance Sheet: RM307,400

QUESTION 10

Sharifah, a sole trader, extracted the following Trial Balance from her books at the close of business on 31 December 2011:

SHARIFAH
Trial Balance as at 31 December 2011

	Debit (RM)	Credit (RM)
Capital at 1 January 2011		250,000
Rates	1,460	
Motor vans	62,000	
Inventory at 1 January 2011	9,340	
Staff salaries	13,400	
Freehold premises	100,500	
Purchases and sales	53,760	82,490
Returns	920	844
Printing, stationery and postage	2,370	
Bad debts	3,120	
Rent	4,760	1,210
Trade debtors and creditors	61,230	47,890
Commission	3,115	1,784
Advertising expenses	2,378	
Discount	1,920	955
Insurance	1,543	
Wages on purchases	871	
Fixtures and fittings	3,760	
Office expenses	2,930	
Cash at bank	17,690	
Investment	72,000	
Cash in hand	1,760	
Long-term loan		37,000
Drawings	1,096	
Interest	1,600	2,000
Freight outwards	650	
	424,173	424,173

Additional information:

1. Stock in hand on 31 December 2011 has been valued at cost RM13,700.

You are required to prepare:

- a) the Income Statement for the year ended 31 December 2011.
- b) the Balance Sheet as at 31 December 2011.

Gross Profit: RM32,143

Net Loss: RM1,154

Balance Sheet: RM332,640

QUESTION 11

The following Trial Balance was taken from the ledger of M. T. Wong, a wholesaler on 31 December 2011.

M.T. WONG
Trial Balance as at 31 December 2011

	Debit (RM)	Credit (RM)
Warehouse (land and building)		89,000
Office equipment	23,100	
Stock at 1 January 2011	9,245	
Capital at 1 January 2011		230,900
Light and heat	2,467	
Withdrawals	932	
Purchases and sales	34,892	87,520
Returns	981	677
Trade debtors and creditors	58,338	34,533
Motor vehicles, at cost	64,300	
Stationery	1,008	
Miscellaneous expenses	2,354	
Discount	1,038	976
Marketing expenses	4,896	
Commission	1,248	1,045
Rates	4,483	
Rent received		2,349
Bank loan		46,000
Import Duties	915	
Insurance	3,110	
Wages and salaries	10,550	
Bad debts recovered		2,000
Motor vehicles expenses	4,100	
Carriage on purchases	2,159	
Carriage on sales	2,984	
Investment	70,000	
Interest	1,500	2,500
Cash at bank	12,800	
Cash in hand	2,100	
	408,500	408,500

Additional information:

1. Stock in hand on 31 December 2011 is RM11,700 at cost price and RM10,300 at the market price.

You are required to prepare:

- a) the Statement of Comprehensive Income for the year ended 31 December 2011.
b) the Balance Sheet as at 31 December 2011.

Gross Profit: RM50,305
Net Profit : RM19,437
Balance Sheet: RM329,938

QUESTION 12

The following is the Trial Balance extracted from the books of Abd Rahman, a grocery store owner on 30 June 2011.

ABD RAHMAN
Trial Balance as at 30 June 2011

	Debit (RM)	Credit (RM)
Opening stock	7,890	
Capital, 1 July 2010		210,000
Fixtures and fittings	16,460	
Fixed deposit	40,000	
Freehold property	90,000	
Purchases and sales	47,300	86,400
Returns	2,390	1,764
General administrative expenses	3,290	
Commission	1,760	1,120
Vehicles	85,000	
Rent	4,590	1,200
Utilities expense	2,675	
Wages on purchases	1,500	
Bank	17,240	
Cash	1,390	
Stationery and postage	532	
Discount	1,430	1,195
Carriage inwards	1,566	
Carriage outwards	3,298	
Insurance	2,700	
Staff salaries	12,418	
Long-term loan		55,000
Drawings	1,500	
Interest on loan	5,500	
Interest on fixed deposit		2,000
Sundry expenses	3,540	
Bad debts recovered		1,040
Sundry debtors and creditors	25,600	19,850
	379,569	379,569

Additional information:

1. Stock in hand on 30 June 2011 has been valued at cost RM9,800.

You are required to prepare:

- a) the Income Statement for the year ended 30 June 2011.
- b) the Statement of Financial Position as at 30 June 2011.

Gross Profit: RM37,318

Net Profit: RM2,140

Working Capital: RM34,180

QUESTION 13

The following Trial Balance was extracted from the books of A. Abdullah , a small businessman based in Port Dickson on 31 December 2011.

A. ABDULLAH
Trial Balance as at 31 December 2011

	Debit (RM)	Credit (RM)
Capital, 1 January 2011		80,000
Stock, 1 January 2011	5,760	
Purchases and sales	29,850	51,780
Returns	754	590
Office equipment	4,360	
Delivery van	50,700	
Van maintenance	2,790	
Commission	720	950
Freight on imported goods	1,354	
Insurance on imported goods	630	
Trade debtors and creditors	47,750	21,980
Miscellaneous expenses	2,200	
Carriage outwards	854	
Interest	1,030	776
Bad debts	520	
Rental	2,890	880
Insurance	700	
Wages and salaries	7,000	
Cash at bank	9,650	
Cash in hand	600	
Drawings	310	
Bad debts recovered		1,540
Advertising	1,700	
Discount	1,220	781
Printing and stationery	935	
Loan		35,000
Patent	20,000	
	194,277	194,277

Additional information:

1. Stock in hand on 31 December 2011 has been valued at cost RM7,590.

You are required to prepare:

- a) the Income Statement for the year ended 31 December 2011.
- b) the Statement of Financial Position as at 31 December 2011.

Gross Profit: RM21,612

Net Profit: RM3,980

Working Capital: RM43,610



QUESTION 14

The following Trial Balance was taken from the books of M. Nasser, a wholesaler on 31 March 2011.

M. NASSER
Trial Balance as at 31 March 2011

	Debit (RM)	Credit (RM)
M. Nasser, Capital Account		149,000
Bank		10,595
Cash in hand	1,400	
General expenses	4,320	
Stock, 1 April 2010	6,650	
Vehicles	60,000	
Warehouse	90,000	
Stationery	320	
Mortgage loan		65,000
Furniture	2,000	
Purchases and sales	32,735	52,450
Returns	1,345	1,120
Freight inwards	1,472	
Freight outwards	2,398	
Office equipment	9,000	
Rental	3,600	1,780
Insurance expense	2,940	
Trade debtors and creditors	43,250	30,000
Drawings	1,360	
Salaries and wages	4,700	
Commission	1,480	612
Interest on overdraft	1,050	
Discount	1,743	1,959
Assessment rate	600	
Investment	40,000	
Bad debts recovered		442
Interest on investment		1,750
Staff allowances	2,345	
	314,708	314,708

Additional information:

1. Stock in hand on 31 March 2011 is RM10,360 at cost price and RM14,710 at the market price.

You are required to prepare:

- a) the Income Statement for the year ended 31 March 2011.
- b) the Statement of Financial Position as at 31 March 2011.

Gross Profit: RM21,728

Net Profit : RM2,775

Working Capital: RM14,415

QUESTION 15

Lim is a retail trader. The following Trial Balance was extracted from his books on 31 December 2011.

LIM
Trial Balance as at 31 December 2011

	Debit (RM)	Credit (RM)
Fixed deposit	60,000	
Long-term loan		60,000
Opening stock	4,466	
Capital, 1 January 2011		155,000
Purchases and Sales	30,780	71,349
Returns	1,450	1,060
Discount	917	708
Office equipment	10,090	
Motor vehicles	120,000	
Rent	3,940	1,600
Light and heat	2,420	
Commission	1,882	877
Bad debts	300	
Office expenses	1,248	
Cash at bank	4,570	
Cash in hand	900	
Carriage on purchases	468	
Carriage on sales	1,043	
Furniture	9,400	
Interest	2,750	2,250
Debtors and creditors	44,630	29,760
Drawings	1,480	
Maintenance expenses	3,250	
Insurance on purchases	760	
Office insurance	1,100	
Salaries expense	13,500	
Stationery	340	
Staff allowances	920	
	322,604	322,604

Additional information:

1. Stock in hand on 31 December 2011 has been valued at cost RM7,360.

You are required to prepare:

- a. the Income Statement for the year ended 31 December 2011.
- b. the Statement of Financial Position as at 31 December 2011.

Gross Profit: RM41,845

Net Profit: RM13,670

Working Capital: RM27,700

Adjustments for Financial Statements

QUESTION 1

The following Trial Balance has been extracted from the ledger of Dewi, a sole trader.

DEWI
Trial Balance as at 31 December 2011

	Debit (RM)	Credit (RM)
Opening Capital, 1 January 2011		120,000
Drawings	2,500	
Bank	15,000	
Cash	7,500	
Sales		135,000
Purchases	85,700	
Sales returns	1,725	
Purchases returns		1,005
Wages on purchases	1,329	
Interest received		870
Interest paid	3,500	
Opening stock	7,900	
Carriage inwards	400	
Carriage outwards	700	
Debtors	59,891	
Creditors		45,000
Commission received		1,200
Commission paid	2,000	
Motor vehicles	95,100	
Salaries	5,000	
Rent and rates	3,000	
Light and heat	750	
Fixtures and fittings	10,320	
Telephone and postage	610	
Discount allowed	450	
Discount received		300
	303,375	303,375

Additional information:

- Closing stock on 31 December 2011 is RM5,000 at market price and RM4,900 at cost.
- Salaries accrued RM750.
- Commission received accrued RM300.
- Rent and rates paid in advance RM1,000.
- Interest received in advance RM70.

You are required to prepare:

- the Income Statement for the year ended 31 December 2011.
- the Balance Sheet as at 31 December 2011.

Gross Profit: RM43,851

Net Profit: RM30,691

Working Capital: RM42,771

QUESTION 2

The following Trial Balance was extracted from the books of Sukahati Trading on 31 March 2012.

SUKAHATI TRADING
Trial Balance as at 31 March 2012

	Debit (RM)	Credit (RM)
Opening Capital, 1 April 2011		270,000
Opening stock	25,000	
Purchases	65,000	
Sales		108,800
Returns	1,500	1,270
Accounts Receivable	76,400	
Accounts Payable		46,750
Rates and Taxes	3,200	
Commission paid	4,700	
Discount	2,300	3,500
Insurance	3,600	
Land and Building	280,000	
Investment	70,000	
Office expenses	2,300	
Interest on investment		4,600
Wages	1,870	
Fixtures and Fittings	38,034	
Freight inwards	1,687	
Frieght outwards	1,589	
Rent	4,000	1,960
Printing and stationery	700	
Cash	2,000	
Bank	40,000	
Drawings	500	
Salaries	12,000	
Donation	500	
Loan		200,000
	636,880	636,880

Additional information:

- a) Closing stock on 31 March 2012 at market value is RM35,000 and RM34,900 at cost.
- b) There was an accrual of RM300 for office expenses.
- c) RM375 of the Commission expenses were prepaid.
- d) Rent received in advance RM1,000.
- e) Interest on investment of RM400 was accrued.
- f) Salaries owing RM1,000.

You are required to prepare:

- a) the Income Statement for the year ended 31 March 2012.
- b) the Balance Sheet as at 31 March 2012.

Gross Profit: RM51,783

Net Profit: RM23,559

Working Capital: RM105,025



QUESTION 3

The following is the Trial Balance of Delaila Enterprise as at 31 December 2011.

DELAILA ENTERPRISE
Trial Balance as at 31 December 2011

	Debit (RM)	Credit (RM)
Capital, 1 January 2011		16,080
Drawings	2,500	
Bank	20,000	
Cash	2,500	
Sales		135,000
Purchases	85,700	
Sales returns	475	
Purchases returns		1,025
Wages on purchases	500	
Interest received		870
Interest paid	350	
Opening stock	4,700	
Carriage inwards	400	
Carriage outwards	700	
Debtors	53,000	
Creditors		45,000
Commission received		1,200
Commission paid	2,000	
Motor vehicles	13,000	
Salaries	5,000	
Rent and rates	2,600	
Light and heat	750	
Fixtures and fittings	3,500	
Telephone and postage	1,420	
Discounts allowed	450	
Discounts received		370
	199,545	199,545

Additional information:

- a) Closing stock on 31 December 2011 at market value were RM5,000 and RM4,900 at cost.
- b) Salaries of RM1,000 were outstanding.
- c) Commission received RM300 was accrued.
- d) There was a prepayment of RM1,000 for Rent and rates.
- e) Unearned interest received RM70.

You are required to prepare:

- a) the Income Statement for the year ended 31 December 2011.
- b) the Balance Sheet as at 31 December 2011.

Gross Profit: RM49,150
Net Profit: RM38,550
Working Capital: RM35,630

QUESTION 4

akri is the owner of Excellent Sport Equipment Store. He supplies you with the following Trial Balance extracted from his ledger as at 30 June 2011.

EXCELLENT SPORT EQUIPMENT STORE
Trial Balance as at 30 June 2011

	Debit (RM)	Credit (RM)
Opening stock, 1 July 2010	9,750	
Bad debts	1,500	
Capital		115,000
Carriage inwards	3,119	
Carriage outwards	4,321	
Cash	1,700	
Bank	80,000	
Commission	970	645
Debtors and Creditors	12,000	7,500
Drawings	1,900	
Import Duties	1,150	
Fixed Deposit	10,000	
Furniture	6,550	
Insurance on Purchases	780	
Insurance	1,800	
Interest	2,350	1,890
Premises	120,000	
General expenses	1,251	
Discount	2,300	2,100
Rental	2,000	5,000
Purchases and Sales	35,000	80,000
Returns	1,200	1,400
Salaries	3,800	
Motor Vehicles	80,554	
Motor Vehicles expenses	1,340	
Wages on purchases	550	
Long term loan		172,350
	385,885	385,885

Additional information:

-) Closing stock on 30 June 2012 at market value is RM11,000 and RM10,900 at cost.
-) Rent RM350 has been received in advance at the year-end.
-) Salaries paid in advance RM800.
-) There was an accrual of RM1,000 for carriage inwards.
-) Premium insurance was paid for 18 months.
-) RM450 was owed for general expenses at the end of the year.

You are required to prepare:

-) the Income Statement for the year ended 30 June 2011.
-) the Balance Sheet as at 30 June 2011.

Gross Profit: RM39,751

Net Profit: RM28,354

Working Capital: RM96,700

QUESTION 5

Delila runs a small grocery store, known as Padeli Store. The following is the Trial Balance of Padeli Store as at 30 June 2012

STORE PADELI STORE
Trial Balance as at 30 June 2012

	Debit (RM)	Credit (RM)
Capital		253,700
Opening stock, 1 July 2011	18,000	
Delivery van	100,000	
Investment	80,000	
Purchases and Sales	75,000	120,000
Returns	1,500	1,400
Vehicles maintenance	2,000	
Office equipment	25,000	
Rent	2,000	3,500
General expenses	1,200	
Bank loan		150,000
Fixtures and Fittings	13,000	
Interest on loan	1,700	
Insurance on purchases	500	
Insurance	13,000	
Interest in investment		1,250
Sundry debtors	74,000	
Sundry creditors		56,000
Duties on purchases	1,600	
Printing expenses	500	
Salaries	14,700	
Drawings	1,700	
Cash	3,000	
Bank	27,850	
Commission	700	500
Transportation out	500	
Transportation in	900	
Discount	1,350	750
Postage and stationery	1,900	
Premises	125,000	
Petty cash	500	
	587,100	587,100

Additional information:

- Closing stock on 30 June 2012 was RM20,000 at cost price and RM21,000 at market price.
- Interest on loan owing for RM300.
- Unearned Rent Revenue RM820.
- Rent paid in advance amounted RM400.
- Commission revenue accrued RM150.
- Write off RM3,000 as a bad debt.

You are required to prepare:

- the Statement of Comprehensive Statement for the year ended 30 June 2012.
- the Statement of Financial Position as at 30 June 2012.

Gross Profit: RM43,900

Net Profit: RM6,780

Working Capital: RM65,780

QUESTION 14

The Trial Balance shown below was extracted from the books of Flying Enterprise on 31 December 2011.

FLYING ENTERPRISE
Trial Balance as at 31 December 2011

	Debit (RM)	Credit (RM)
Opening stock, 1 July 2011	17,000	
Capital		262,000
Fixtures and Fittings	31,000	
Land and Building	150,000	
Purchases and Sales	67,300	123,000
Returns	780	1,091
General administrative expenses	2,400	
Commission	1,200	1,700
Motor vehicles	78,000	
Rent	700	1,200
Publicity expenses	1,200	
Wages on purchases	300	
Bank	44,000	
Cash	2,000	
Stationery	1,200	
Discount	1,000	
Carriage inwards	530	
Carriage outwards	750	
Insurance	3,600	
Salaries	25,000	
Long term loan		80,000
Drawings	700	
Interest on loan	3,000	
Sundry expenses	1,300	
Provision for depreciation - Fixtures and fittings		3,000
- Motor vehicles		4,500
Bad debts	3,000	
Trade debtors and Trade creditors	87,100	45,900
Provision for doubtful debts		669
	523,060	523,060

The following adjustments need to be made for the year ended 31 December 2011.

- (a) Closing stock was valued at RM25,300.
- (b) General administrative expense owing for RM700.
- (c) Provision for depreciation as follows:
 - Fixtures and fittings 10% per annum on cost
 - Motor vehicles 10% per annum on reducing balance
- (d) Bad debts RM700 are to be written off, and the provision for doubtful debts to be adjusted to 2% of the remaining debtors.
- (e) Unearned rent revenue RM200.
- (f) The loan commenced on 1 July 2011 with a fixed interest rate of 10% per annum.
- (g) Stationery RM120 was paid by cheque on 30 December 2011. This transaction was omitted from the accounting records.
- (h) Returns Inwards RM110 had been recorded as Carriage Inwards.

You are required to prepare:

- (a) the Income Statement for half year ended 31 December 2011.
- (b) the Statement of Financial Position as at 31 December 2011.

Gross Profit: RM63,481

Net Profit: RM13,027

Working Capital: RM108,052

QUESTION 6

You are given the following Trial Balance as at 30 September 2012 of Forte Kita Trading.

FORTE KITA TRADING
Trial Balance as at 30 September 2012

	Debit (RM)	Credit (RM)
Purchases and Sales	110,000	140,890
Returns	1,450	1,983
Opening Inventory, 1 October 2011	12,000	
Insurance on Purchases	3,000	
Sundry Expenses	2,500	
Rent	17,630	12,000
Salaries	25,000	
Maintenance expenses	1,000	
Loan		60,000
Land and Building	280,000	
Motor vehicles	110,500	
Office equipment	30,000	
Discount	3,500	4,000
Mortgage		100,000
Interest	1,879	2,400
Insurance	12,000	
Utility bills	1,167	
Drawings	800	
Debtors and Creditors	88,700	67,850
Commission	700	1,200
Cash	2,565	
Bank		43,900
Carriage on purchases	1,780	
Carriage on sales	3,200	
Bad debts	1,452	
Capital		276,600
	710,823	710,823

Additional information:

- a) Closing stock on 30 September 2012 was RM18,000 at cost price and RM17,000 at market price.
- b) Commission received amounting to RM300 is in arrears.
- c) Bad debts RM1,500 to be written off.
- d) RM2,000 had been prepaid at the end of the year relating to Insurance.
- e) 1/4 of the total maintenance expenses is for personal use.
- f) A provision for doubtful debt is to be created of 5% of the closing debtors total.

You are required to prepare:

- a) the Statement of Comprehensive Statement for the year ended 30 September 2012
- b) the Statement of Financial Position as at 30 September 2012

Gross Profit: RM31,643

Net Loss: RM22,095

Working Capital: (RM7,045)



QUESTION 7

Zakri is the owner of Bagus Sangat Store. He supplies you with the following Trial Balance extracted from his ledger on 31 March 2012.

BAGUS SANGAT STORE
Trial Balance as at 31 March 2012

	Debit (RM)	Credit (RM)
Opening inventory, 1 April 2011	10,123	
Bad debts	4,500	
Capital		240,000
Carriage inwards	3,000	
Carriage outwards	4,000	
Cash	1,640	
Bank		32,680
Commission	1,300	500
Debtors and Creditors	88,500	54,300
Drawings	300	
Import Duties	500	
Fixed Deposit	50,000	
Furniture	33,000	
Insurance on Purchases	940	
Insurance	1,800	
Interest	1,450	1,008
Premises	145,000	
General expenses	4,365	
Discount	2,300	2,100
Rent	5,550	2,850
Purchases and Sales	65,000	105,700
Returns	1,200	1,400
Salaries	3,800	
Motor Vehicles	70,000	
Motor vehicles expenses	800	
Wages on purchases	2,670	
Provision for doubtful debts		1,200
Long term loan		60,000
	501,738	501,738

Additional information:

- Closing inventory was RM18,000 at cost price and RM16,900 at market price.
- Commission paid in advanced was RM300.
- One of debtors with an outstanding balance of RM1,500 was declared bankrupt and the amount owed by him is to be written off.
- Rent revenue is RM370 per month.
- The provision for doubtful debt is to be adjusted to 2% of the debtors.

You are required to prepare:

- the Statement of Comprehensive Statement for the year ended 31 March 2012.
- the Statement of Financial Position as at 31 March 2012.

Gross Profit: RM40,567

Net Profit: RM17,010

Working Capital: RM18,710

QUESTION 8

The following Trial Balance was extracted from the books of Sukaria Enterprise. Its financial year ends on 31 December every year.

SUKARIA ENTERPRISE
Trial Balance as at 31 December 2011

	Debit (RM)	Credit (RM)
Capital		170,000
Opening stock, 1 January 2011	25,000	
Purchases	65,000	
Sales		88,000
Returns	1,500	1,800
Accounts Receivable	65,000	
Accounts Payable		60,000
Rates and Taxes	3,200	
Commission	4,300	
Discount	2,300	3,500
Insurance	3,600	
Land and Building	80,000	
Patent	50,000	
General expenses	2,300	
Interest on investment		5,000
Insurance on Purchases	1,000	
Fixtures and Fittings	35,000	
Freight inwards	1,000	
Freight outwards	1,400	
Rental	4,000	3,000
Printing and stationery	700	
Cash in hand	2,000	
Cash at bank	40,000	
Drawings	500	
Provision for doubtful debts		1,500
Wages and Salaries	12,000	
Donations	500	
Loan from MBB		67,500
	400,300	400,300

Additional information:

- Closing stock on 30 December 2011 was RM7,000.
- Accrued commission is RM300.
- One of debtors was declared bankrupt and the amount owed by him RM2,500 is to be written off.
- The Provision for doubtful debt is to be made at 2% of debtors.
- Interest received amounting to RM500 is in arrears.
- Unearned rent revenue RM930.
- Insurance premiums RM600 were prepaid.

You are required to prepare:

- the Statement of Comprehensive Statement for the year ended 31 December 2011
- the Statement of Financial Position as at 31 December 2011

Gross Profit: RM3,300

Net Loss: RM21,880

Working Capital: RM50,120

QUESTION 9

Below is the extracted Trial Balance from the books of Amni Trading on 30 June 2012.

AMNI TRADING
Trial Balance as at 30 June 2012

	Debit (RM)	Credit (RM)
Opening capital, 1 July 2011		255,000
Drawings	3,000	
Bank	20,000	
Cash	5,000	
Purchases and Sales	93,000	184,720
Discount	700	900
Returns	700	500
Telephone and postage	500	
Wages on purchases	1,000	
Interest	800	1,300
Fixtures and fittings	10,000	
Import duties	2,500	
Opening inventory	5,000	
Freight expense	1,200	
Debtors and Creditors	80,000	67,500
Bad debts	500	
Investment	45,000	
Fixed deposit	28,500	
Light and heat	1,000	
Commission	2,000	3,000
Rent and rates	2,300	
Website maintenance	4,720	
Motor vehicles	80,000	
Machineries at cost	120,000	
Salaries	7,500	
Provision for doubtful debts		2,000
	514,920	514,920

Notes:

- a) Closing stock on 30 June 2012 at market value was RM11,000.
- b) Telephone and postage for the year was RM700.
- c) Depreciation at the rate of 10% per annum on cost to be charged on Motor vehicles and Machineries.
- d) Rent and rates was RM 2,000 for this year.
- e) Interest received accrued RM700.
- f) The provision for doubtful debts is to be increased to RM2,500.
- g) 1/4 of the Freight expense represents freight inwards on purchases.

You are required to prepare:

- a) the Income Statement for the year ended 30 June 2012.
- b) the Balance Sheet as at 30 June 2012.

Gross Profit: RM93,720
Net Profit: RM58,300
Working Capital: RM46,800

QUESTION 10

You are given the following Trial Balance as at 30 June 2012 of Huda Trading.

HUDA TRADING
Trial Balance as at 30 June 2012

	Debit (RM)	Credit (RM)
Opening Capital, 1 January 2012		180,000
Drawings	5,000	
Bank	65,000	
Cash	1,820	
Sales		140,000
Purchases	103,000	
Returns	7,000	6,000
Wages on purchases	4,300	
Interest	2,300	2,000
Opening stock	8,000	
Freight inwards	500	
Freight outwards	230	
Accounts receivable	55,000	
Accounts payable		38,000
Commission	1,000	3,000
Motor vehicles	74,000	
Provision for doubtful debts		900
Salaries	14,000	
Rent and rates	700	
Light and heat	1,200	
Office equipment	30,000	
Telephone and postage	500	
Discount	1,200	700
Provision for depreciation:		
Motor vehicles		2,650
Office equipment		1,500
	374,750	374,750

The following information is available on 30 June 2012 and is to be taken into account.

- a) Closing stock was valued at RM8,000.
- b) There was an accrual of RM150 for Telephone and postage and RM1,200 of the Salaries were prepaid.
- c) Depreciation is to be charged as follows:
 - Motor vehicles 10% per annum on cost
 - Office equipment 10% per annum on book value
- d) The provision for doubtful debts is to be increased to RM1,100.
- e) Unearned commission reveue RM500.
- f) Huda, the owner had taken cash of RM200 from the office for her own use.

You are required to prepare:

- a) the Statement of Comprehensive Statement for half year ended 30 June 2012.
- b) the Statement of Financial Position as at 30 June 2012.

Gross Profit: RM31,200
Net Profit: RM10,995
Working Capital: RM91,070



QUESTION 11

The following is the Trial Balance for Mock Enterprises as at 31 December 2011.

MOCK ENTERPRISE
Trial Balance as at 31 December 2011

	Debit (RM)	Credit (RM)
Opening stock, 1 January 2011	13,800	
Capital		240,700
Fixtures and fittings	30,000	
Freehold Land	150,000	
Purchases and Sales	70,000	153,000
Returns	1,244	1,760
General administrative expenses	2,560	
Commission	1,220	1,700
Motor vehicles	98,000	
Rent	4,230	1,200
Motor maintenance	1,500	
Wages on purchases	1,800	
Cash at Bank	55,000	
Cash in hand	3,500	
Stationery	800	
Discount	1,150	
Carriage inwards	1,400	
Carriage outwards	2,770	
Insurance	3,600	
Salaries	25,000	
Loan, 1 July 2011		80,000
Withdrawals	1,520	
Interest on loan	800	
Sundry expenses	1,300	
Bad debts recovered		3,000
Debtors and Creditors	67,500	35,180
Provision for doubtful debts		1,850
Provision for depreciation:		
Fixtures and fittings		7,500
Motor vehicles		12,800
	538,694	538,694

Additional information:

- Closing stock on 31 December 2011 was valued at RM8,000.
- Sundry expenses for the year RM1,000.
- Fixtures and fittings are to be depreciated by 5% per annum on cost.
- Motor vehicles are to be depreciated by 10% per annum using the reducing balance method.
- An additional RM500 is to be written off as bad debts.
- Provision for doubtful debts is to be made at 3% of debtors.
- Rent revenue is RM300 per month.
- Interest on Loan is paid at a rate of 10% per annum.

You are required to prepare:

- the Statement of Comprehensive Statement for the year ended 31 December 2011
- the Statement of Financial Position as at 31 December 2011

Gross Profit: RM74,516

Net Profit: RM24,306

Working Capital: RM95,806

QUESTION 12

Amad is the proprietor of Kita Sama Enterprise. At the end of the financial year, on 30 September 2011, the balances were extracted from the general ledger and have been entered onto a Trial Balance, as shown below:

KITA SAMA ENTERPRISE
Trial Balance as at 30 September 2011

	Debit (RM)	Credit (RM)
Purchases and Sales	88,500	190,000
Returns	2,760	2,082
Opening Inventory, 1 October 2010	15,000	
Insurance on Purchases	3,240	
Sundry Expenses	2,500	
Rent	18,000	2,450
Salaries	25,000	
Custom Duties	813	
Land and Building	280,000	
Motor vehicles	127,800	
Office equipment	18,500	
Discount	3,500	4,000
Mortgage		100,000
Interest	1,000	2,400
Insurance	12,000	
Provision for doubtful debts		2,350
Utility bills	1,346	
Drawings	1,550	
Debtors and Creditors	97,650	66,700
Commission	700	2,400
Cash in hand	1,600	
Cash at Bank	75,873	
Carriage on purchases	3,740	
Carriage on sales	5,410	
Bad debts	3,200	
Provision for depreciation - Motor vehicles		54,000
- Office equipment		3,300
Capital		360,000
	789,682	789,682

The following adjustments need to be taken into account as at 30 September 2011:

- Closing stock was valued at RM11,000 as at 30 September 2011.
- Depreciation rates to be applied:
 - Motor vehicles 5% per annum on book value
 - Office equipment calculated over 5 years on the straight line method, assuming a residual value of RM2,000
- Unearned interest revenue RM500.
- Rent expense of RM200 is to be accrued.
- Insurance include RM1000 paid on 30 September 2011 for insurance to be made on 1 December 2011.
- Rent received accrued RM650.
- Provision for doubtful debts is to be adjusted to a figure representing 2% of debtors.
- A credit note received from a supplier RM250 for goods returned has not been recorded yet.

You are required to prepare:

- the Income Statement for the year ended 30 September 2011.
- the Statement of Financial Position as at 30 September 2011.

Gross Profit: RM89,279
Net Profit: RM22,230
Working Capital: RM118,670



QUESTION 13

Mokhtar Padeli runs a mini market in Melaka. The following is the Trial Balance of the business as at 30 September 2011.

MOKHTAR PADELI
Trial Balance as at 30 September 2011

	Debit (RM)	Credit (RM)
Capital		251,000
Opening stock, 1 April 2011	8,375	
Delivery vehicles	87,000	
Investment, 1 April 2011	56,000	
Purchases and Sales	54,000	93,200
Returns	2,550	1,760
Vehicles maintenance	1,780	
Office equipment	12,000	
Rent	2,000	3,000
General expenses	1,200	
Bank loan, 1 April 2011		100,000
Fixtures and Fittings	7,000	
Interest on loan	1,890	
Insurance on purchases	665	
Insurance	3,000	
Interest in investment		2,000
Accounts Receivable	54,800	
Accounts Payable		33,446
Import duties	600	
Printing expenses	500	
Salaries	23,000	
Drawings	700	
Cash	1,000	
Bank		9,690
Commission	880	622
Carriage outwards	2,640	
Carriage on purchases	1,095	
Discount	1,330	970
Postage and stationery	240	
Bad debts	1,243	
Land & Building	180,000	
Petty cash	300	
Provision for depreciation - Delivery vehicles		8,700
- Fixtures and fittings		1,400
	505,788	505,788

The following adjustments need to be made for the year ended 30 September 2011.

- Closing stock on 30 September 2011 was RM11,000.
- Interest on investment is 5% per annum.
- Provide depreciation as follows:
 - Delivery vehicles 10% per annum on cost
 - Fixtures and fittings 10% per annum on book value
- Carriage outwards accrued RM100.
- Printing expenses paid in advance amounted to RM 150.
- Rent revenue was for 6 months to 31 December 2011.
- During the year, Mokhtar Padeli took goods RM2,000 for his own use. He has not yet recorded this in the books of account.
- Interest on Bank Loan is paid at a fixed rate of 5% per annum.

You are required to prepare:

- the Income Statement for half year ended 30 September 2011.
- the Balance Sheet as at 30 September 2011.

Gross Profit: RM40,675

Net Profit: RM274

Working Capital: RM21,304

QUESTION 14

The Trial Balance shown below was extracted from the books of Flying Enterprise on 31 December 2011.

FLYING ENTERPRISE
Trial Balance as at 31 December 2011

	Debit (RM)	Credit (RM)
Opening stock, 1 July 2011	17,000	
Capital		262,000
Fixtures and Fittings	31,000	
Land and Building	150,000	
Purchases and Sales	67,300	123,000
Returns	780	1,091
General administrative expenses	2,400	
Commission	1,200	1,700
Motor vehicles	78,000	
Rent	700	1,200
Publicity expenses	1,200	
Wages on purchases	300	
Bank	44,000	
Cash	2,000	
Stationery	1,200	
Discount	1,000	
Carriage inwards	530	
Carriage outwards	750	
Insurance	3,600	
Salaries	25,000	
Long term loan		80,000
Drawings	700	
Interest on loan	3,000	
Sundry expenses	1,300	
Provision for depreciation - Fixtures and fittings		3,000
- Motor vehicles		4,500
Bad debts	3,000	
Trade debtors and Trade creditors	87,100	45,900
Provision for doubtful debts		669
	523,060	523,060

The following adjustments need to be made for the year ended 31 December 2011.

- Closing stock was valued at RM25,300.
- General administrative expense owing for RM700.
- Provision for depreciation as follows:
 - Fixtures and fittings 10% per annum on cost
 - Motor vehicles 10% per annum on reducing balance
- Bad debts RM700 are to be written off, and the provision for doubtful debts to be adjusted to 2% of the remaining debtors.
- Unearned rent revenue RM200.
- The loan commenced on 1 July 2011 with a fixed interest rate of 10% per annum.
- Stationery RM120 was paid by cheque on 30 December 2011. This transaction was omitted from the accounting records.
- Returns Inwards RM110 had been recorded as Carriage Inwards.

You are required to prepare:

- the Income Statement for half year ended 31 December 2011.
- the Statement of Financial Position as at 31 December 2011.

Gross Profit: RM63,481

Net Profit: RM13,027

Working Capital: RM108,052



QUESTION 15

The following Trial Balance of Aman, a shopkeeper, has been extracted from his books of account on 30 June 2012

AMAN
Trial Balance as at 30 June 2012

	Debit (RM)	Credit (RM)
Opening Capital, 1 July 2011		265,100
Opening inventory	29,000	
Drawings	3,000	
Bank	74,240	
Cash	5,000	
Purchases and Sales	103,000	180,000
Discount	700	1,200
Returns	700	900
Telephone and postage	1,000	
Wages on purchases	3,150	
Interest	2,850	1,300
Fixtures and fittings	23,000	
Carriage inwards	1,500	
Carriage outwards	3,780	
Debtors and Creditors	135,300	78,500
Light and heat	1,470	
Commission	2,500	3,500
Rent and rates	10,450	
Motor vehicle	120,000	
Salaries	34,000	
Bad debts	4,230	
Provision for doubtful debts		3,470
Provision for depreciation - Fixtures and fitting		2,300
- Motor vehicle		22,600
	558,870	558,870

The following additional information is available on 30 June 2012 and is to be taken into account.

- Closing inventory on 30 June 2012 was RM15,000 at cost price.
- Telephone and postage expenses of RM900 were accrued.
- Depreciation on Fixtures and fittings to be charged at the rate of 10% per annum using the reducing balance method.
- Depreciation on Motor vehicle is calculated over 10 years on the straight line method, assuming a residual value of RM7,000.
- Bad debts recovered was RM1,300 and paid by cash.
- The Provision for doubtful debts was to be adjusted to 2% of the debtors.
- No entry has been made in the books for advertising expenses of RM1,750 which Aman had paid from his private fund.
- Cash payment to a creditor RM1,200 had been debited to the Drawings account.

You are required to prepare:

- the Income Statement for the year ended 30 June 2012.
- the Statement of Financial Position as at 30 June 2012.

Gross Profit: RM58,550

Net Loss: RM10,386

Working Capital: RM149,934

Control Accounts

QUESTION 1

The following information is extracted from the books of Sinar Maju Enterprise for the month of October 2011.

	RM
Debtors Control Account on 1 October 2011	3,600
Total credit sales	25,400
Total cheques received from debtors	15,000
Total discount allowed	1,000
Bad debts written off	500
Total sales returns	1,800

You are required to prepare the Debtors Control Account.

Debtors Control Account: RM10,700

QUESTION 2

From the following details for the year ended December 2011, you are requested to construct the Debtors Control Account.

	RM
Debtors Control Account on 1 December 2011	9,850
Total credit sales	43,920
Total cash sales	4,700
Total cheques received from debtors	26,500
Total discount allowed	1,540
Bad debts written off	760
Total sales returns	2,340
Interest charges imposed on debtors	1,100
Bad debts recovered	1,985

Debtors Control Account : RM23,730

QUESTION 3

From the following summary of the transactions for the month of January 2011, you are required to prepare the Sales Ledger Control Account.

	RM
Sales Ledger balances on 1 January 2011	10,500
Total sales (including cash sales of RM3,450)	67,800
Total cheques received from debtors	38,450
Dishonored cheques	2,850
Discount allowed withdrawn	285
Total discount allowed	3,513
Bad debts written off	4,390
Total sales returns	5,320
Interest charged on overdue debtors' accounts	3,720
Bad debts recovered	1,610
Freight charged to debtors	2,540

Sales Ledger Control Account : RM32,572



QUESTION 4

The following is a summary of purchases activities of Mayang Sari Enterprise during the month of November 2011:

	RM
Creditors Control Account on 1 November 2011	23,700
Total credit purchases	106,300
Total cheques paid to creditors	48,900
Total discount received	5,500
Total freight charged by creditors	3,800
Total purchases returns	4,100

You are required to prepare the Creditors Control Account.

Creditors Control Account : RM75,300

QUESTION 5

The following information relates to the general ledger of GUNA Enterprise for the month of September 2011.

	RM
Creditors Control Account on 1 September 2011	25,300
Total credit purchases (including cash purchases of RM3,420)	98,260
Total carriage expense charged by creditors	1,520
Total cheques paid to creditors	50,000
Total discount revenue	2,680
Total purchases returns	5,700
Interest charges imposed by creditors	3,690

You are required to prepare the Creditors Control Account.

Creditors Control Account : RM66,970

QUESTION 6

At 1 November 2011, the following balances appeared in the general ledger of Good Mart Supermarket.

	RM
Purchases Ledger Control Account on 1 November 2011	36,940
Total Purchases (including cash purchases of RM3,420)	109,560
Freight charged by creditors	3,756
Returns outwards	5,700
Interest charges imposed by creditors	3,690
Payments to creditors by cheques.	66,400
Discount received	2,100

You are required to prepare the Purchases Ledger Control Account.

Purchases Ledger Control Account : RM76,326

QUESTION 7

The following information has extracted from the books of GREEN APPLE Enterprise on 1 June 2011:

	RM
Amount owing by debtors	40,000
Amount owing to creditors	31,200

he transactions during the month of June were as follows:

	RM
Returns inwards	15,750
Returns outwards	8,660
Discount received	3,187
Discount allowed	5,443
Credit Sales	386,829
Cash sales	6,100
Credit Purchases	222,954
Cash purchases	5,210
Interest imposed by creditors	2,760
Interest charged on overdue debtors' accounts	3,485
Bad debts	6,400
Cheques received from debtors	100,840
Cheques paid to creditors	98,500
Bad debts recovered	7,120

Required:
Using the above information, show the Control Accounts for the month ended 30 June 2011.

Debtors Control Account: RM301,881
Creditors Control Account: RM146,567

QUESTION 8

From the following information provided below prepare the control accounts for the month of January 2011:

		RM
Jan 11	Debtors balance (Dr.)	46,462
	(Cr.)	245
	Creditors balance (Dr.)	1,472
	(Cr.)	25,465
1 Jan 11	Credit Purchases	76,474
	Cash purchases	5,821
	Sales (including cash sales of RM 2,150)	126,024
	Purchases returns	2,154
	Sales returns	4,110
	Bad debts written off	1,253
	Interest imposed on debtors	2,675
	Interest imposed by creditors	1,145
	Freight charged to debtors	2,630
	Freight charged by creditors	1,200
	Cash received from debtors	90,464
	Cash paid to creditors	50,476
	Dishonoured cheques	2,650
	Discount allowed withdrawn	265
	Discount allowed	2,743
	Discount received	1,942

Debtors Control Account : RM79,741
Creditors Control Account : RM48,240

QUESTION 9

The following information has been taken from the books of Sin Sin for the financial year ended 30 September 2011.

Date	Particular	RM
October 1	Sales Ledger debit balances	10,762
	Purchases Ledger credit balances	9,100
	Sales Ledger credit balances	660
	Purchases Ledger debit balances	290
September 30	Sales (including cash sales RM 2,100)	52,700
	Purchases (including cash purchases RM 3,100)	34,500
	Sales returns	1,100
	Purchases returns	980
	Cheques received from credit customers	7,500
	Cheques paid to credit suppliers	6,450
	Discount allowed	530
	Discount received	300
	Bad debts written off	870
	Dishonoured cheques	1,000
	Discount allowed withdrawn	90
	Bad debts recovered	520
	Interest imposed on customers	320
	Interest charged by suppliers	700
	Carriage charged by customers	200
	Carriage charged by suppliers	450

Required:
Prepare Sales Ledger Control Account and Purchases Ledger Control Account as they would appear in the general ledger for the year ended 30 September 2011.

Debtors Control Account : RM52,312
Creditors Control Account : RM33,630

QUESTION 10

Valery Enterprise keeps subsidiary ledgers for Debtors Control Account and Creditors Control Account. At 1 June 2011, the following balances of both control accounts were:

Opening balance, 1 June 2011

	Dr.	Cr.
Debtors	75,000	1,060
Creditors	2,340	125,000

Transactions for the month of June 2011:**Sales**

Cash	100,000
Credit	130,000

Purchases

Cash	80,000
Credit	100,000

Receipts from credit customers	88,500
Payments to credit suppliers	65,000
Returns inwards	3,689
Returns outwards	2,570
Discount allowed	2,000
Discount received	5,000
Interest imposed by suppliers	2,780
Interest charged to customers	4,100
Dishonoured cheques	5,320
Discount allowed withdrawn	532
Bad debts written off	3,100
Transfer from Sales Ledger to Purchases Ledger	2,791

Closing balance, 30 June 2011

	Dr.	Cr.
Debtors		974
Creditors	1,093	

You are required to prepare:

Debtors Control Account and Creditors Control Account as they would appear in the general ledger for the month of June 2011.

Debtors Control Account : RM114,786

Creditors Control Account : RM151,172

QUESTION 11

The following balances are available from the books of Money Lover, a sole trader:

Balances as at 1 July, 2011:	Dr.	Cr.
Sales Ledger	110,950	
Purchases Ledger	3,500	
Sales Ledger		4,700
Purchases Ledger		69,000

The following transactions took place in the month of July, 2011:

	RM
Credit sales	198,900
Cash sales	4,210
Credit purchases	164,800
Cash purchases	5,360
Receipts from debtors	98,650
Payments to creditors	71,463
Returns inwards	11,700
Returns outwards	9,600
Bad debts recovered	3,670
Interest charged to debtors	2,310
Interest charged by creditors	1,755
Discount Allowed	7,300
Debtors' accounts settled by contra	1,986
Creditors' accounts settled by contra	3,110
Discount received	6,200
Carriage charged to debtors	4,900
Carriage charged by creditors	3,185
Bad debts written off	1,000
Debtors cheques dishonoured	8,600
Discount allowed withdrawn	860

Balances on 31 July, 2011:	Dr.	Cr.
Purchases Ledger	2,800	
Sales Ledger		1,900

You are required to show the Control Accounts in the general ledger.

Debtors Control Account : RM199,974
Creditors Control Account : RM145,681

QUESTION 12

The following information relates to the general ledger of Tak Ming, a wholesaler for the month of March 2011:

Balances on 1 March 2011:	Dr. (RM)	Cr. (RM)
Purchases ledger	960	56,900
Sales ledger	97,550	480

The summary of the transactions for the month of March 2011:

Cash purchases	6,000
Cash sales	5,000
Returns inwards	500
Returns outwards	900
Payments to creditors	110,000
Cash received from debtors	180,000
Receipts from bad debts recovered	2,000
Discount allowed	8,500
Discount received	9,800
Bad debts written off	5,500
Balance in the sales ledger set off against balance in the purchases ledger	2,500
Interest imposed on debtors	3,725
Interest imposed by creditors	2,169
Carriage charged to debtors	1,776
Carriage charged by creditors	1,952
Dishonoured cheques	4,500
Discount allowed withdrawn	450

Balances on 31 March 2011:	Dr. (RM)	Cr. (RM)
Sales ledger	35,000	1,800
Purchases ledger	760	25,800

You are requested to show the control accounts in the general ledger.

Debtors Control Account (credit sales): RM122,679

Creditors Control Account (credit purchases): RM88,179



QUESTION 13

The following details were extracted from the books of Vee Café on 31 March 2011:

Balances on 1 March 2011:	RM
Purchases ledger – debit	300
Purchases ledger – credit	25,200
Sales ledger – debit	69,634
Sales ledger – credit	500

The following transactions took place during March 2011:

Discount allowed	2,356
Bad debts written off	1,237
Freight charged by suppliers	3,500
Interest imposed by suppliers	1,880
Interest imposed on customers	1,916
Goods returned by customers	4,950
Freight charged to customers	2,765
Goods returned to suppliers	3,750
Discount received	1,245
Cheques received from credit customers	60,600
Dishonoured cheques	2,415
Legal expenses charged to customers	700
Cheques paid to credit suppliers	26,520
Cash sales	11,500
Transfer from Sales Ledger to Purchases Ledger	1,156
Provision for doubtful debts	3,125

Balances on 31 March 2011:	
Sales ledger (debit)	50,000
Sales ledger (credit)	400
Purchases ledger (debit)	200
Purchases ledger (credit)	37,000

You are required to prepare:

Debtors Control Account and Creditors Control Account.

Debtors Control Account (credit sales): RM42,969

Creditors Control Account (credit purchases): RM39,191

QUESTION 14

The balances on the personal ledger Control Accounts of Ramasamy Enterprise on 1 December 2011 were as follows:

	Dr. (RM)	Cr. (RM)
Purchases Ledger	100	56,900
Sales Ledger	97,550	50

The following transactions took place in the month of July, 2011:

	RM
Credit Purchases	194,700
Sales (including RM2,540 cash sales)	251,160
Returns inwards	3,456
Returns outwards	1,780
Interest charged to customers	4,150
Interest charged by suppliers	4,320
Bad debts written off	3,260
Dishonoured cheques	5,165
Discount allowed withdrawn	516
Discounts received	2,520
Discounts allowed	5,860
Freight charged to customers	6,435
Freight charged by suppliers	3,129

Balances on 31 December 2011:	Dr. (RM)	Cr. (RM)
Purchases Ledger	1,500	100,000
Sales Ledger	98,000	2,300

You are required to prepare:

Debtors Control Account and Creditors Control Account for Ramasamy Enterprise for the month of December 2011.

Debtors Control Account (Bank): RM254,110

Creditors Control Account (Bank): RM156,149



QUESTION 15

The following information was obtained from the books of Selvi Trading for the year 2011:

	1 January 2011		31 December 2011	
	Dr. (RM)	Cr. (RM)	Dr. (RM)	Cr. (RM)
Sales ledger	10,000	275	67,951	250
Purchases ledger	194	9,900	160	37,938
Inventory	4,650	-	9,800	

The transactions that occurred during the year 2011 are as follow:

	RM
Cash Sales	14,480
Cash purchases	20,500
Bad debts	980
Cheques received from credit customers	15,800
Cheques issued to credit suppliers	17,800
Discount allowed	2,850
Discount received	1,580
Dishonoured cheques	5,250
Discount allowed withdrawn	525
Returns Inwards	2,460
Returns outwards	1,980
Interest imposed on customers	980
Interest imposed by suppliers	700
Carriage charged to customers	1,200
Carriage charged by suppliers	2,768
Bad debt recovered	560
Transfer from sales ledger to purchases ledger	1,250
Transfer from purchases ledger to sales ledger	2,439

You are requested to prepare:

- a) Debtors Control Account.
- b) Creditors Control Account.
- c) Trading Account for the year ended 31 December 2011.

Credit Sales: RM75,800

Credit Purchases: RM49,650

Gross Profit: RM22,032

Bank Reconciliation Statements

QUESTION 1

Below are the Bank Statement and Cash Book (bank column) of Wong & Wong Food Suppliers for the month of October 2011.

WONG & WONG FOOD SUPPLIERS
Cash Book (bank column)

Oct 2011		RM	Oct 2011	Cheque No.	RM
1	Balance b/d	59,000	2	10301	3,000
5	Balakrishnan	1,000	10	10302	5,750
15	Amoi	2,350	14	10303	2,000
24	Juros	2,115	19	10304	1,500
			23	10305	2,315
			29	10306	15,000
			31	Balance c/d	34,900
		64,465			64,465
Nov 1	Balance b/d	34,900			

Bank Statement for the month ended 31 October 2011

Date	Particulars	Debit (RM)	Credit (RM)	Balance (RM)
2011 Oct				
1	Balance b/d			59,000
4	Cheque no 10301	3,000		56,000
8	7667		1,000	57,000
11	Cheque no 10302	5,750		51,250
15	Cash		2,350	53,600
19	Cheque no 10304	1,500		52,100
25	Cheque no 10305	2,315		49,785

You are required to prepare a Bank Reconciliation Statement as at 30 October 2011 starting with:

- a) the Cash Book balance.
- b) the Bank Statement balance.



QUESTION 2

Akim Enterprise produces canned food. Below are the Bank Statement and Cash Book (bank column) for the month of February 2011.

AKIM ENTERPRISE
Cash Book (bank column)

Feb 2011		RM	Feb 2011	Cheque No.	RM
1	Balance b/d	47,000	10	1002	5,550
5	Cheque 39850	8,500	14	1003	2,888
18	Sales	6,375	19	1004	1,555
27	Cheque 12345 T&T Co	5,212	28	Balance c/d	60,251
28	Cheque 56789 Koperasi PPD	3,157			
		70,244			70,244
Mar 1	Balance b/d	60,251			

Bank Statement for the month ended 28 February 2011

Date	Particulars	Debit (RM)	Credit (RM)	Balance (RM)
2011 Feb				
1	Balance b/d			47,000.00
7	Cheque no 39859		8,500	55,500.00
10	1002	5,550		49,950.00
16	1003	2,888		47,062.00
18	Cash		6,375	53,437.00
28	Cheque no 12345		5,212	58,649.00

You are required to prepare a Bank Reconciliation Statement as at 28 February 2011 starting with:

- a) the Cash Book balance.
- b) the Bank Statement balance.

QUESTION 3

SSAM Furniture is one of the furniture distributors in Negeri Sembilan. Below are the Bank Statement and Cash Book (bank column) of SSAM Furniture for the month of August 2011.

SSAM FURNITURE
Cash Book (bank column)

Aug 2011		RM	Aug 2011	Cheque No.	RM
1	Balance b/d	37,900	2	11301	300
4	Cash	6,450	10	11302	1,750
7	Awung 4556	5,134	14	11303	4,000
19	Pak Doolah 3889	2,300	19	11304	2,550
23	Cash	12,500	23	11305	3,315
			29	11306	5,000
			31	Balance c/d	47,369
		64,284			64,284
Sept 1	Balance b/d	47,369			

Bank Statement for the month ended 31 August 2011

Date	Particulars	Debit (RM)	Credit (RM)	Balance (RM)
2011 August				
1	Balance b/d			37,900.00
4	Cash		6,450	44,350.00
11	Cheque no 11301	300		44,050.00
15	4556		5,134	49,184.00
20	Cheque no 11304	2,550		46,634.00
22	Cheque no 11302	1,750		44,884.00
23	Deposits		12,500	57,384.00
30	Cheque no 11306	5,000		52,384.00

You are required to prepare a Bank Reconciliation Statement as at 31 August 2011 starting with:

- a) the Cash Book balance.
- b) the Bank Statement balance.

QUESTION 4

Below are the Cash Book (bank column) and the Bank Statement of Ninia Trading for the month of January 2011

Cash Book (bank column)

Jan 2011		RM	Jan 2011		RM
1	Balance b/f	3,750	6	Sykt Dah 00124	650
5	Sykt LL	1,180	10	Sykt Sari 00123	950
15	Sykt Nil	1,780	20	Philip 00125	1,270
17	Sy Ho	900	28	Sy Tab	730
20	Aisyah	520	29	Rahul 00126	1,500
31	Dina	1,940	31	Balance c/f	4,970
		10,070			10,070
Feb 1	Balance b/f	4,970			

Bank Statement for the month ended 31 January 2011

Date	Particulars	Debit (RM)	Credit (RM)	Balance (RM)
2011 Jan				
1	Balance			3,750.00
5	CDM Cash Deposit		1,180.00	4,930.00
7	Inward clearing Cheque Debit 00123	950.00		3,980.00
14	Inward clearing Cheque Debit 00124	650.00		3,330.00
15	Cheque 3020		1,780.00	5,110.00
17	Cheque 4000		900.00	6,010.00
20	Cheque 8888		520.00	6,530.00
20	Inward clearing Cheque Debit 00125	1,270.00		5,260.00
25	Dishonoured cheque	1,780.00		3,480.00
29	Inward clearing Cheque Debit 00126	1,500.00		1,980.00
30	Credit transfer		1,200.00	3,180.00
31	Bank charges	15.00		3,165.00

You are requested to prepare a Bank Reconciliation Statement as at 31 January 2011 starting with:

- a) the Cash Book balance.
- b) the Bank Statement balance.

QUESTION 5

The Cash Book (bank column) of Kalai Trading for the month of May showed a debit balance of RM8,784.

Cash Book (bank column)

May 2011		RM	May 2011		RM
1	Balance b/f	8,830	5	Yang 01020	1,250
7	Lovely Lace	990	12	Cantek 01021	1,115
13	Manis Trading 5516	1,500	23	Comei 01022	3,223
19	Ling Ling	930	25	Pretty	777
24	Cash	3,345	28	Sweet 01023	1,666
31	Dolly	1,220	31	Balance c/f	8,784
		16,815			16,815
June 1	Balance b/f	8,784			

On 3 June 2011 Kalai Trading's bank sent a statement for the month of May 2011 as shown below:

KK BANK
PORT DICKSON SERVICE CENTRE

KALAI TRADING
NO 13 JALAN 2/3S
PORT DICKSON

PAGE 1
STATEMENT DATE 31/5/2011
ACCOUNT NUMBER 512272400111

Eligible for protection by PIDM

ISLAMIC CURRENT ACCOUNT

ACCOUNT TRANSACTION

ENTRY DATE	VALUE DATE	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	STATEMENT BALANCE
		Beginning Balance		8,830.00
8/05		Credit Transfer	990 +	
15/05		Inward clearing Cheque Debit 01021	1,115 -	
25/05		Inward clearing Cheque Debit 01022	3,223 -	
		Bank charges	1.50 -	
11/05		Inward clearing Cheque Debit 01020	1,250 -	
15/05		Manis Trading	1,500 +	
24/05		ATM Cash Deposit	3,345 +	
26/05		CDM Cash Deposit	930 +	
		Standing Order – Pusat Pungutan Zakat	450 -	
		Ending Balance	9,555.50	
		Total Debits	6,039.50	
		Total Credits	6,765.00	

You are requested to prepare a Bank Reconciliation Statement as at 31 May 2011 starting with:

- a) the Cash Book balance.
- b) the Bank Statement balance.

QUESTION 6

Below are the Cash Book (bank column) and the Bank Statement of Wonderful Enterprise, a stationery supplier for the month of January 2011:

WONDERFUL ENTERPRISE
Cash Book (bank column)

Jan 2011	Cheque No.	RM	Jan 2011	Cheque No.	RM
1	Balance b/f	12,500	2	Nizam 11301	300
4	Azhar 11256	3,450		Nasuha 11302	1,750
10	Aiman 11608	1,500	5	Akmal 11303	4,000
15	Faez 15500	4,130	11	Aqef 11304	22,550
21	Cash	1,450	16	Suria 11305	3,315
23	Safiya 34123	2,500	20	Ayin 11306	5,000
30	Najib 11307	4,760	31	Nadia 11308	5,773
31	Balance c/d	21,918			
		47,448			47,448
			Feb 1	Balance b/d	21,918

Bank Statement for the month ended 31 January 2011

Date	Particulars	Debit (RM)	Credit (RM)	Balance (RM)
2011 Jan				
1	Balance			12,500
5	Credit Transfer		2,300	14,800
7	Inward clearing Cheque Debit 11303	4,000		10,800
14	Inward clearing Cheque Debit 11302	1,750		9,050
17	Cheque 15500		4,130	13,180
19	Cheque 11256		3,450	16,630
20	Cheque 11608		1,500	18,130
20	Inward clearing Cheque Debit 11301	300		17,830
21	Cash Deposit		1,450	19,280
25	Dishonoured cheque 15500	4,130		15,150
	Credit transfer		300	15,450
26	Inward clearing Cheque Debit 11304	22,550		-7,100
29	Inward clearing Cheque Debit 11306	5,000		-12,100
30	Overdraft Interest	35.00		-12,135
30	Standing order	1,150		-13,285

You are requested to prepare a Bank Reconciliation Statement as at 31 January 2011 starting with:

- the Cash Book balance.
- the Bank Statement balance.

QUESTION 7

Muka Trading supplies electrical components. Below are the Cash Book (bank column) and the Bank Statement of the firm for the month of November 2011:

MUKA TRADING
Cash Book (bank column)

Nov 2011	Cheque No.	RM	Nov 2011	Cheque No.	RM
1	Balance b/d	1,000	2	12311	1,500
4	Wire Ltd 66678	455		12312	2,500
10	Spanar Co. 11778	2,377	5	12313	3,500
15	Cash 11109	1,333	11	12314	4,500
19	Bunny 00345	2,800	16	12315	5,500
23	Flute 00999	500	20	12316	6,500
			30	12317	7,500
				12318	8,500
31	Balance c/d	31,535			
		40,000			40,000
			Dec 1	Balance b/d	31,535

Bank Statement for the month ended 30 November 2011

Date	Particulars	Debit (RM)	Credit (RM)	Balance (RM)
2011 Nov				
1	Balance			1,000
3	Credit Transfer		556	1,556
4	Inward clearing Cheque Debit 12313	3,500		- 1,944
	Inward clearing Cheque Debit 12312	2,500		- 4,444
17	Cheque 11109		1,333	-3,111
20	Cheque 11778		2,377	-734
	Cheque 00345		2,800	2,066
	Inward clearing Cheque Debit 12311	1,500		566
22	Dishonoured cheque 00111	450		116
24	Interest on Fixed Deposits credited		350	466
	Inward clearing Cheque Debit 12314	4,500		-4,034
25	Inward clearing Cheque Debit 12316	6,500		-10,534
29	OD Interest	360		-10,894
30	Standing order – CIMB	350		-11,244

You are required to prepare a Bank Reconciliation Statement as at 30 November 2011 starting with:

a) the Cash Book balance.

b) the Bank Statement balance.

QUESTION 8

The following are the Bank Reconciliation Statement, Cash Book and Bank Statement of Alis Enterprise:

Bank Reconciliation Statement as at 30 November 2011

	RM	RM
Balance as per Bank Statement		5,783
Less: Unpresented cheque - Cheque 6655		3,113
Cheque 6658	670	3,783
Balance as per Cash Book		<u>2,000</u>

ALIS ENTERPRISE
Cash Book (bank column)

Dec 2011	Cheque No.	RM	Dec 2011	Cheque No.	RM
1	Balance b/d	2,000	2	Marikh 6660	1,355
9	Cash	650		Zuhal 6661	990
15	Sun Co. 10022	3,377	15	Earth 6662	1,690
15	Cash	888		Pluto 6663	1,450
19	Moon Co	2,800	17	Xenon 6664	500
29	Cloudy 00999	500	26	Ultra 6665	780
			30	Planet 6666	1,760
				Zaron 6667	2,500
31	Balance c/d	810			
		11,025			11,025
			2012		
			Jan 1	Balance b/d	810

PD BANK
PORT DICKSON SERVICE CENTRE

ALIS ENTERPRISE
NO 23 TAMAN INTAN PERDANA
PORT DICKSON

Eligible for protection by PIDM

PAGE 1
STATEMENT DATE 31/12/2011
ACCOUNT NUMBER 160214017833
ISLAMIC CURRENT ACCOUNT

ACCOUNT TRANSACTIONS

ENTRY DATE	VALUE DATE	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	STATEMENT BALANCE
		Beginning Balance		5,783.00
5/12		Inward clearing Cheque Debit 6655	3,113 –	
		Inward clearing Cheque Debit 6660	1,355 –	
		Inward clearing Cheque Debit 6661	990 –	
9/12		Credit Transfer	650 +	
15/12		Inward clearing Cheque Credit 10022	3,377 +	
		ATM Cash Deposit	888 +	
17/12		Inward clearing Cheque Debit 6662	1,690 –	
		Inward clearing Cheque Debit 6663	1,450 –	
20/12		Credit Transfer	2,800 +	
25/12		Bank charges	5.50 –	
27/12		Inward clearing Cheque Debit 6665	780 –	
26/12		Standing Order – Hire purchase	1,250 –	
30/12		Interest on goverment securities	700 +	
		Ending Balance	3,564.50	
		Total Debits	10,633.50	
		Total Credits	8,415.00	

You are required to:

- a) make necessary adjusting entries in the Cash Book; and
- b) prepare a Bank Reconciliation Statement as at 31 December 2011.
- c) prepare a Bank Reconciliation Statement as at 31 December 2011 without adjusting the cash book.

Cash Book (Adjusted): RM1,365.50

QUESTION 9

Missy Enterprise sells house and office decoration products. In early May, Missy Enterprise received its Bank Statement for the period ended 30 April 2011 which did not agree with the Cash Book balance.

MISSY ENTERPRISE
Cash Book (bank column)

May 2011		RM	May 2011	Cheque No.	Particulars	RM
1	Balance b/d	33,180.70	1	MBB2012	Android	1,000
			2	MBB2111	Zoon Factory	3,300
3	Lee Boutique	2,560		MBB2112	Tuty Ltd	2,750
12	Lisa 4550	1,500	4	MBB2113	TNB Bhd	330.50
15	Vanisha	3,130	10	MBB2114	C.Low – rent	2,500
22	Voon collection	5,450	17	MBB2115	Milty Deco	13,315
25	Honey 16889	450.70	23	MBB2116	Fluffy	2,190
			30	MBB2117	Telekom	760
			31	Balance c/d		20,125.90
		46,271.40				46,271.40
May 1	Balance b/d	20,125.90				

MAYBANK
IBS SALAK TINGGI SERVICE CENTRE

MISSY ENTERPRISE
NO 11 JALAN 1/1
BANDAR BARU SALAK TINGGI
Eligible for protection by PIDM

PAGE 1
STATEMENT DATE 30/4/2011
ACCOUNT NUMBER 500372400111
ISLAMIC CURRENT ACCOUNT

ACCOUNT TRANSACTIONS

ENTRY DATE	VALUE DATE	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	STATEMENT BALANCE
1/04		Beginning Balance		33,980.70
		Inward clearing Cheque Debit 2001	800 –	
4/04		Cash deposits	2,560 +	
		Inward clearing Cheque Debit 2012	1,000 –	
5/04		Inward clearing Cheque Debit 2111	3,300 –	
4/04		Inward clearing Cheque Debit 2112	2,750 –	
		Bank charges	1.50 –	
11/04		Inward clearing Cheque Debit 2113	330.50 –	
15/04		Inward clearing Cheque Debit 2114	2,500 –	
		CDM Cash Deposit	3,130 +	
21/04		ATM Cash Deposit	5,450 +	
26/04		Credit Transfer	1,450 +	
		Standing Order –Takaful	750 –	
		Ending Balance	35,138.70	
		Total Debits	11,432	
		Total Credits	12,590	

- You are required to:
- (i) show the necessary adjustments in the Cash Book of Missy Enterprise, bringing down the correct balance on 30 April 2011; and
 - (ii) prepare a Bank Reconciliation Statement showing the balance as per Bank Statement on that date.
 - (iii) prepare a Bank Reconciliation Statement starting with the balance as per Bank Statement (without adjusting the cash book balance).

Cash Book (Adjusted): RM20,824.40

QUESTION 10

The bank account (Cash Book bank column) of NAZ Enterprise showed a debit balance of RM53,100.22 on 31 December 2011. After checking the Bank Statement with the Cash Book, the following items were discovered.

a) Items recorded in Cash Book of NAZ Enterprise but not in the Bank Statement:

2011		RM
Dec 16	Deposits	7,700
17	Cheque no 13118	2,100
18	Cheque no 13120	1,130
25	Cheque no 13121	2,143
28	Cheque no 13130	986
31	Cheque no 13133	4,201

b) Items recorded in the Bank Statement but not in Cash Book of NAZ Enterprise:

2011		RM
Dec 5	Deposits - Minah	600
15	Dishonoured Cheque – Cheque 23499	2,763
20	Standing order - MAA Insurance	250
25	Interest on Fixed deposits credited	345
30	Bank charges	7.50

The following error was identified:
Cheque no 13124 for salaries RM23,655 recorded in the Cash Book on 26 December was incorrect, the correct amount is RM23,665.

- You are requested to prepare:
- (i) the adjusted Cash Book.
 - (ii) a Bank Reconciliation Statement as at 31 December 2011.
 - (iii) a Bank Reconciliation Statement as at 31 December 2011 without adjusting the cash book.

Cash Book (Adjusted): RM51,014.72
Bank Reconciliation Statement: RM53,874.72

QUESTION 11

Below is a summary of the Cash Book of Zhen Enterprise for the month of July 2011:

Cash Book (bank column)

Balance b/f	1,607	Payments	16,520
Receipts	17,073	Balance c/f	2,160
	<u>18,680</u>		<u>18,680</u>

The Bank Statement for the same month showed a debit balance of RM6,263

An examination of the Cash Book and Bank Statement disclosed the following:

- Zhen Enterprise had recorded a cheque of RM 470 issued to a creditor as receipt in the Cash Book.
- A cheque received of RM1,800 was returned by bank, no adjustment had been made in the Cash Book.
- Zhen Enterprise received a cheque of RM6,899 from SSE Bhd. The cheque was deposited on 31 July 2011.
- Cheques issued for payment are yet to be presented to the bank, cheque no. 3453 (RM670) and cheque no. 3458 (RM450).
- The bank service charge amounting to RM50.00 was not recorded in the Cash Book.
- A cheque of RM73 issued by Zhen Enterprise was recorded wrongly in the credit side of the Bank Statement.

You are required to:

- make necessary adjustments in the Cash Book.
- prepare a Bank Reconciliation Statement as at 31 July 2011.
- prepare a Bank Reconciliation Statement as at 31 July 2011 without adjusting the cash book.

Cash Book (Adjusted): (RM630)

Bank Reconciliation Statement: RM6,263

QUESTION 12

The Cash Book of Sharifah Trading on 31 December 2011 showed a debit balance of RM5,555.00, whereas the Bank Statement on the same date showed RM6,095.00 (credit). On comparing the Cash Book with the Bank Statement, the following differences were identified:

- A cheque of RM 699 paid to a creditor was recorded in the Cash Book as RM966.
- Dividend from investment RM350 had been received by the bank but not recorded in the Cash Book.
- A cheque of RM100 issued for the payment of electricity had been omitted from the Cash Book.
- A bank transfer from a customer (Ani) amounting RM1,999 had been credited by the bank in the Bank Statement but not recorded in the Cash Book.
- A standing order for a hire purchase payment RM550 was not recorded in the Cash Book.
- Cheque drawn amounting to RM3,475 had not been presented to the bank for payment.
- A deposit of RM4,955 on 31 December 2011 had not been credited by the bank.
- Cheque amounting RM566 from a debtor had been returned by the bank marked "refer to Drawer". No adjustment had been made in the Cash Book.
- The receipt side of the Cash Book had been under-added by RM500.
- A cheque of RM120 deposited by Sharifah Trading to the bank, was debited in the cash book (cash column). These amount appeared as receipts in the bank statement for the month.

You are required to:

- make necessary adjustments in the Cash Book.
- prepare a Bank Reconciliation Statement as at 31 December 2011.

Cash Book (Adjusted): RM7,575

Bank Reconciliation Statement: RM6,095

QUESTION 13

The Cash Book of Selalu Selamat showed a credit balance of RM365 on 30 June 2011. The Bank Statement for the month of June 2011 showed an overdraft of RM1,035. After checking both the Bank Statement and the Cash Book, the findings were as follows:

- a) A cheque issued to a supplier amounting to RM580 had not been presented to the bank.
- b) Cheques received amounting to RM1,265 was not banked in.
- c) A cheque of RM250 received from a customer (Mat) was credited in the company's Cash Book.
- d) The bank charges amounting to RM25 for the month of June was not recorded.
- e) RM225 was debited wrongly by the bank into Selalu Selamat bank account. This transaction should be recorded in Tak Selalu Selamat bank account.
- f) A cheque RM235 received from Kamaruddin (a customer) was returned by the bank and stamped with the word 'VOID'.

You are required to show:

- (i) the Cash Book with adjusted bank balance.
- (ii) a Bank Reconciliation Statement as at 30 June 2011.

Cash Book (Adjusted): (RM125)

Bank Reconciliation Statement: (RM1,035)

QUESTION 14

Lily Enterprise received its Bank Statement for the period ended 30 June 2011 which did not agree with the Cash Book balance RM66,666 (credit balance). An examination of the Cash Book and Bank Statement disclosed the following:

- a) A deposit of RM8,990 on 29 June 2011 has not been credited by the bank until 1 July 2011.
- b) Bank charges amounting to RM120 was not entered in the Cash Book.
- c) A debit of RM540 appeared in the Bank Statement as an unpaid cheque, which was returned marked "out of date" but not adjusted in the Cash Book.
- d) A standing order for payment of an annual subscription amounting to RM200 was not entered in the Cash Book.
- e) On 25 June, 3 customers of the company had paid directly to the company's bank account RM7,770, RM5,800 and RM900 respectively in payment for goods supplied. The advices were not received by the company until July 2011.
- f) In April, the company had signed a hire purchase agreement. The method of payment is by a standing order instruction of RM560 on the 25th every month. No entries had been made in the Cash Book for the month of June.
- g) A receipt of RM5,000 paid into the bank had been recorded twice in the Cash Book.
- h) A cheque issued amounting RM6,500 had not been presented to the bank for payment.
- i) A customer who received a 10% cash discount on his account of RM10,000, paid the company a cheque on 2 June. The account clerk in error entered the gross amount in the bank column of the Cash Book.

You are required to:

- a) make necessary adjusting entries in the Cash Book.
- b) prepare a Bank Reconciliation Statement as at 30 June 2011.

Cash Book: (RM59,616)

Bank Reconciliation Statement: (RM62,106)

QUESTION 15

At the end of October 2011, Soo Huat's Cash Book (bank column) had a debit balance of RM6,790. This balance is different from the balance shown in the Bank Statement of October. After checking both the Cash Book and Bank Statement for that month, the following differences have been identified:

- a) Direct credit transactions made by the bank for the month were as follows:

Interest on fixed deposit	RM460
Dividend	RM1,150
- b) An expired cheque of RM550 received by a customer on 10 October was returned by the bank.
- c) A cheque 6775 (RM6,000) issued for mortgage payment was recorded wrongly in the Cash Book as RM6,775.
- d) The following post-dated cheques dated 1 October were received from Fila Co. but were not recorded by the bank:

Cheque 2345	RM2,468
Cheque 2367	RM3,691
- e) Cheques issued to suppliers are not cashed yet as follows:

Cheque 6778	RM3,567
Cheque 6782	RM4,444
- f) Bank charges for the month of October are below:

Service charges	RM15
Cheque book	RM7.50
- g) The bank had debited Soo Huat account for RM720, the cheque was supposed to be debited in Soo Kuat's account.
- h) Receipt from a debtor of RM5,000 was credited in the Cash Book by the account clerk of Soo Huat's company.
- i) A cheque issued for rental of RM375 was recorded as RM357 in the Bank Statement . The Cash Book showed the correct entry.

You are required to prepare:

- a) the adjusted Cash Book.
- b) a Bank Reconciliation Statement as at 30 October 2011 starting with the adjusted Cash Book balance.
- c) a Bank Reconciliation Statement as at 30 October 2011 without adjusting the Cash Book balance.

Cash Book (Adjusted): RM18,602.50

Bank Reconciliation Statement: RM19,752.50



Multiple-Choice Questions - Set 1

1. Which of the following is the **CORRECT** accounting process sequence?
 - A. Journalise transactions post to the accounts
prepare a trial balance
 - B. Prepare a trial balance journalise transactions
post to the accounts
 - C. Journalise transactions prepare a trial balance
post to the accounts
 - D. Post to the accounts journalise transactions
prepare a trial balance
2. "The value of the assets owned by the business and the debts of the business are all measured in dollars and cents." This statement refers to the
 - A. monetary assumption.
 - B. accounting entity assumption.
 - C. accounting period assumption.
 - D. continuity of activity assumption.
3. The valuation of stock is related to the convention of _____ which will be an underestimation rather than overestimation of profits of the business.
 - A. benefits and costs
 - B. conservatism
 - C. historical cost
 - D. materiality
4. Which accounting concept or principle specifically states that acquired assets and services should be recorded at their actual cost?
 - A. Cost principle
 - B. Prudence concept
 - C. Reliability principle
 - D. Going-concern concept
5. A sole proprietorship is a/an
 - A. one-man business owned and managed by only one person.
 - B. business formed by two or more persons with a maximum of twenty.
 - C. enterprise formed by two or more persons with a maximum of fifty.
 - D. enterprise formed by two or more persons with no maximum limit.
6. The Books of Original Entry are
 - i. Sales Day Book
 - ii. Purchases Day Book
 - iii. Cash Book
 - iv. Ledgers
 - A. i, ii & iii
 - B. i, ii & iv
 - C. ii, iii & iv
 - D. i, ii, iii & iv
7. Entries in the Sales Day Book are made from
 - A. invoices.
 - B. vouchers.
 - C. debit notes.
 - D. credit notes.
8. Trade discount allowed to a customer is shown in
 - A. Cash Book.
 - B. Sales ledger.
 - C. Sales Day Book.
 - D. Discount Allowed Account.
9. Which of the following statements is **TRUE** in relations to Sales Journal? It is used to record
 - A. cash sales only.
 - B. credit sales only.
 - C. cash sales and credit sales.
 - D. sales which are more than RM10,000.
10. A credit note sent to a customer is recorded in the
 - A. Sales Book.
 - B. Purchases Book.
 - C. Sales Returns Book.
 - D. Purchases Returns Book.
11. Discount allowed is recorded in the
 - A. Journal.
 - B. Cash Book.
 - C. General Journal.
 - D. Purchases Book.
12. Which of the following does not have a credit balance?
 - A. Cash Account
 - B. Bank Account
 - C. Creditors Account
 - D. Interest Account
13. Fadhil, a second-hand car dealer paid total rental amounted to RM15,000 by cheque. How would this transaction affect Fadhil's accounting equation? It
 - A. increases assets and decreases liabilities.
 - B. decreases assets and increases liabilities.
 - C. increases both assets and owner's equity.
 - D. decreases both assets and owner's equity.
14. The following transactions have an effect in capital **EXCEPT**?
 - A. A loss made by the business
 - B. A profit made by the business
 - C. A second-hand van bought by the business
 - D. A withdrawal of cash by the owner from the business
15. "The owner invested a further RM5,000 of cash into bank." What effect does this transaction have on the accounting equation?
 - A. Bank increases; Cash increases
 - B. Bank increases; Cash decreases
 - C. Bank increases; Capital increases
 - D. Bank increases; Capital decreases

16. A mini market operator buys a van from Wong Motors for RM50,000 by cheque. What are the entries to be made in the grocer's accounting system?
- debit Vehicles; credit Bank
 - debit Bank; credit Vehicles
 - debit Purchases; credit Bank
 - debit Vehicles; credit Wong Motors
17. What is the entry to record the payment of office maintenance by cheque?
- debit Bank, credit Office Maintenance
 - debit Office Maintenance, credit Bank
 - debit Bank, credit Accounts Receivable
 - debit Office Maintenance, credit Accounts Payable
18. "Goods worth RM700 are taken out as samples for an advertising campaign". What is the entry to record the transaction?
- debit Purchases; credit Stock
 - debit Stock; credit Purchases
 - debit Advertising; credit Stock
 - debit Advertising; credit Purchases
19. "An old computer was sold to Chong IT by cheque on 13 March 2011". What is the entry to record this transaction?
- debit Chong IT; credit Office equipment
 - debit Office equipment; credit Chong IT
 - debit Bank; credit Office equipment
 - debit Office equipment; credit Bank
20. A credit balance on a sales ledger account means
- A supplier has overpaid.
 - A supplier has underpaid.
 - A sales invoice has been undercharged.
 - A customer has returned unsatisfactory goods after paying for them.
21. Fouzi runs a mini market in Port Dickson. Which of the following products cannot be classified as his 'goods'?
- canned food
 - vegetables
 - delivery van
 - computers
- i & ii
 - i & iii
 - ii & iii
 - iii & iv
22. Permanent (real) Accounts are
- revenue accounts.
 - expenses accounts.
 - accounts which are related only to a given accounting period.
 - accounts which are related to one or more accounting periods.
23. Which of the following statements is **CORRECT** in relation to a Trial Balance?
- It shows the financial position of a business.
 - It is part of the published accounts of a business.
 - All the balances in the Trial Balance will be summarised in the business balance sheet.
 - It is a list of all balances on the double entry accounts and the Cash Book at a particular point in time.
24. Which of the following items are is **NOT** part of the double entry system?
- Trial Balance
 - Trading Account
 - Profit and Loss Account
 - Balance Sheet
- i & ii
 - i & iii
 - i & iv
 - i, ii, iii & iv
25. A fiscal year is an accounting period that is _____ duration.
- one month
 - four months
 - nine months
 - one year
26. All the expenses involved in buying goods and making them available for sale should be added to the cost of purchases. These expenses are
- carriage inwards
 - carriage outwards
 - wages on purchases
 - staff salaries
- i & ii
 - i & iii
 - i & iv
 - i, ii & iii
27. A grocery store has the following items in its accounts on 31 March 2011:
- | | |
|--------------------------------|----------|
| Opening stock on 1 April 2010 | RM5,000 |
| Closing stock on 31 March 2011 | RM10,000 |
| Purchases | RM90,000 |
| Purchases returns | RM2,000 |
- What is the cost of goods sold on 31 March 2011?
- RM83,000
 - RM87,000
 - RM93,000
 - RM94,000
28. _____ is the amount of money invested by the proprietor in his business.
- Capital
 - Drawings
 - Net Profit
 - Investment
29. Resources owned by a business are referred to as _____.
- assets
 - equities
 - liabilities
 - owner's equity
30. Assets which are relatively fixed or permanent in nature are called _____.
- revenues
 - expenses
 - current assets
 - non-current assets

31. A Bad Debt is regarded as a/an
- asset.
 - liability.
 - income.
 - expense.
32. How to create Provision for Doubtful Debts?
- debit Provision for Doubtful Debts; credit Bad Debts
 - debit Bad Debts; credit Provision for Doubtful Debts
 - debit Profit and Loss Account; credit Provision for Doubtful Debts
 - debit Provision for Doubtful Debts; credit Profit and Loss Account
33. If a bad debt is recovered after it was written off, what would be the effect in the financial summary for that year?
- Gross Profit and Bank increase
 - Net Profit and Bank increase
 - Gross Profit and debtors' balances decrease
 - Net Profit and debtors' balances decrease
34. At the start of a year, a business has RM1,800 in its provision for a doubtful debts account. By the end of the year, doubtful debts have increased to RM2,200. What would be the effect in the financial summary of the year? Expenses are increased by _____ and total debtors are reduced by _____.
- RM400; RM400
 - RM400; RM2,200
 - RM2,200; RM4,00
 - RM2,200; RM2,200
35. Depreciation is an expense. It is provided because
- it is the amount of money spent in buying assets.
 - all non-current assets tend to lose value over time.
 - it is the amount of money spent in changing assets.
 - most of the non-current assets tend to lose value over time.
36. A photocopy machine is bought for RM16,000. It is to be depreciated on a straight line method using a rate of 10% per annum. What is the net book value of the machine at the end of 2 years ownership?
- | | |
|-------------|-------------|
| A. RM12,800 | C. RM14,400 |
| B. RM12,960 | D. RM16,000 |
37. Interest expense owing is shown as a
- fixed asset in the Balance Sheet.
 - current asset in the Balance Sheet.
 - debit balance brought down in the interest account.
 - credit balance brought down in the interest account.
38. Unearned Revenue is a/an
- accrued revenue.
 - prepaid revenue.
 - accrued expense.
 - prepaid expense.
39. Dinesh is the owner of a mini market. Which of the following are classified as Capital Expenditure?
- Rent paid
 - Van maintenance
 - Delivery van bought
 - Computer bought
- i & ii
 - i & iii
 - ii & iii
 - iii & iv
40. Which of the following assets is an intangible asset?
- Land
 - Patent
 - Furniture
 - Office equipment
41. The statement which shows a summary of assets, liabilities, and the owner's equity as of a specific date is called
- Statement of Income.
 - Statement of Cash Flows.
 - Statement of Owner's Equity.
 - Statement of Financial Position.
42. In which section of its Balance Sheet that a credit balance on a firm's Rent Paid Account is shown?
- Current Assets
 - Current Liabilities
 - Non-current Assets
 - Non-current Liabilities
43. Working capital is also known as
- opening capital.
 - closing capital.
 - net current assets.
 - net current liabilities.
44. Which of the following transactions appear in the Debtors Control Account?
- payments by debtors
 - interest imposed on debtors
 - goods returned by debtors
 - bad debts recovered
- i & ii
 - ii & iv
 - i, ii & iii
 - ii, iii & iv
45. What does the term 'Unpresented Cheque' mean? It means
- a dishonoured cheque returned by the bank.
 - a cheque which has not been processed by the bank.
 - a cheque which has not been received by the supplier.
 - a cheque returned by the bank with a 'stop payment' notice.

Multiple-Choice Questions - Set 2

1. "It is generally accepted that, for accounting purpose, the business enterprise is considered a completely separate entity from the owner." This statement refers to the
 - A. monetary assumption.
 - B. accounting entity assumption.
 - C. accounting period assumption.
 - D. continuity of activity assumption.
2. _____ assumes that the entity will stay in business for the foreseeable future, long enough to use existing resources for their intended purpose.
 - A. The Entity Concept
 - B. The Reliability Principle
 - C. The Cost Principle
 - D. The Going-Concern Concept
3. The basic accounting equation is
 - A. Assets = Liabilities + Owner's Equity
 - B. Liabilities = Assets + Owner's Equity
 - C. Owner's Equity = Assets + Liabilities
 - D. Assets = Current Liabilities – Non-current Liabilities
4. Which of the following items **INCREASE** the owner's equity?
 - i. Revenues
 - ii. Expenses
 - iii. Owner withdrawals
 - iv. Owner investment
 - A. i & ii
 - B. i & iii
 - C. i & iv
 - D. i, ii, iii & iv
5. Which of the following transactions should be called as 'Sales'?
 - i. Goods sold for cash
 - ii. Goods sold on credit
 - iii. Office equipment sold for cash
 - iv. Office equipment sold on credit
 - A. i & ii
 - B. i & iii
 - C. ii & iii
 - D. ii & iv
6. Which of the following accounts are Nominal Accounts
 - i. Building
 - ii. Stock
 - iii. Purchases
 - iv. Sales
 - A. i & ii
 - B. ii & iii
 - C. iii & iv
 - D. i, ii, iii & iv
7. Accounting profit/loss is the difference between
 - A. revenues and expenses for the period.
 - B. cash receipts and cash paid in a period.
 - C. revenues and cash payments for the period.
 - D. total cash sales and the expenses for the period.
8. Fatimah owed Kassim RM3,500. Fatimah has gone bankrupt and become a bad debtor. What is the effect of writing off the debt as a bad debt?
 - A. Profit decreases, Debtors decrease
 - B. Both Bank balance and Profit decrease
 - C. No effect on profit, and Debtors decrease
 - D. No effect on the Balance Sheet, and Profit decreases
9. Which of the transactions below will have an effect in capital?
 - A. Pay a creditor by cheque
 - B. Profit made by the business
 - C. Cheque received from a debtor
 - D. Purchased of a new office equipment
10. "Purchased of a table amounting to RM150.00 for office use for cash." What effect does this transaction have on the accounting equation?
 - A. Stock increases; Cash decreases
 - B. Purchases increase; Cash decreases
 - C. Furniture increases; Cash decreases
 - D. Office equipment increases; Cash decreases
11. Rasa Sayang Home Mart purchases RM4,500 worth of new computer on credit. What is the effect of this transaction on the accounting equation?
 - A. Cash and Capital are decreased by RM4,500
 - B. Office Equipment and Accounts Payable are increased by RM4,500.
 - C. Accounts Payable is increased and Capital is decreased by RM4,500
 - D. Office Equipment is decreased and Accounts Payable is increased by RM4,500
12. Which of the following transactions are recorded in the General Journal?
 - i. Opening entries
 - ii. Closing entries
 - iii. Purchase or sale of fixed assets on credit
 - iv. Transactions not recorded in other journals
 - A. i, ii & iii
 - B. i, iii & iv
 - C. ii, iii & iv
 - D. i, ii, iii & iv
13. Which of the following is used to record the writing off of bad debts?
 - A. Cash Book
 - B. Sales Journal
 - C. General Journal
 - D. Purchases Journal
14. Ong Furniture Trading buys a new machine on credit for business usage. In which book is this transaction be recorded?
 - A. Cash Book
 - B. Sales Book
 - C. General Journal
 - D. Purchases Book

15. The process of transferring amounts from the General Journal to the appropriate ledger accounts is called _____.
 - A. posting
 - B. recording
 - C. journalising
 - D. transferring
16. Khairul flew to Indonesia on a business trip by Airasia. He paid RM1,200 by cash. What is the entry to record the transaction?
 - A. debit Airasia; credit Cash
 - B. debit Airasia; credit Bank
 - C. debit Travelling Expense; credit Cash
 - D. debit Travelling Expense; credit Bank
17. Sales discount refers to the deduction
 - A. made to the selling price.
 - B. made to the purchasing price.
 - C. given by a seller for prompt payment of a credit sale.
 - D. claimed by a buyer for prompt payment of a balance due.
18. The Purchases Account only records goods which are bought with the intention of
 - A. selling them for a profit.
 - B. buying them for own use.
 - C. using them in the business.
 - D. keeping them in the business.
19. Which of the following accounts would be considered a temporary account?
 - A. Sales
 - B. Capital
 - C. Debtors
 - D. Creditors
20. Which of the following **BEST** describes the function of a Trial Balance? A Trial Balance is drawn up as a test of the
 - A. book-keeping system.
 - B. system of double entry.
 - C. accuracy of the book-keeping entries.
 - D. arithmetical accuracy of the accounts.
21. The amount charged to customers for goods sold is called a(n) _____.
 - A. asset
 - B. revenue
 - C. expense
 - D. net income
22. Which of the following is not an expense?
 - A. Rates
 - B. Stationery
 - C. Withdrawals
 - D. Van maintenance
23. Which of the following accounts has a debit balance?
 - A. Prepaid Rent
 - B. Rent Payable
 - C. Rent Revenue
 - D. Unearned Rent Revenue
24. Capital expenditure is the amount
 - A. withdrew by the proprietor.
 - B. spent on purchasing of goods.
 - C. spent on buying non-current assets.
 - D. spent on selling non-current assets.
25. A Debtors Account is an asset account because it represents
 - A. money invested in the business.
 - B. what the business owes to others.
 - C. money which belongs to the business.
 - D. the amount which the business owes to the proprietor.
26. Ahmad runs a furniture business in Port Dickson. A withdrawal of three tables from the business for his personal use is recorded as
 - A. debit Drawings; credit Furniture
 - B. debit Furniture; credit Drawings
 - C. debit Purchases; credit Furniture
 - D. debit Drawings; credit Purchases
27. Kassim, a mini market operator brings in a computer from his house for his business use. What is the entry to record the transaction?
 - A. debit Drawings; credit Capital
 - B. debit Office equipment; credit Capital
 - C. debit Drawings; credit office Equipment
 - D. debit Office equipment; credit Purchases
28. Nurul, one of the debtors was declared bankrupt and the amount owed by her RM1,200 had been written off as bad debts expense. She unexpectedly turns up and settles her debt by cheque. The entry to record the transaction is
 - A. debit Bank; credit Bad Debts
 - B. debit Bank; credit Bad Debts Recovered
 - C. debit Bad debts Recovered; credit Bad Debts
 - D. debit Bad Debts; credit Bad Debts Recovered
29. What are the entries required to write off a specific bad debt?
 - A. debit Sales a/c; credit Debtors a/c
 - B. debit Bad debts a/c; credit Debtors a/c
 - C. debit Debtors a/c; credit Bad debts a/c
 - D. debit Bad debts a/c; credit Profit and Loss a/c
30. Which of the following is **TRUE** in relation to prepaid expenses? Prepaid expenses are
 - A. assets.
 - B. liabilities.
 - C. revenues.
 - D. expenses.
31. Which of the following transactions is considered as an expense?
 - A. The purchase of land
 - B. Payment of interest in advance
 - C. Dividend paid to stockholders
 - D. Payment of the current year's rent

32. A delivery van is bought for RM60,000. The rate of depreciation is 20% on a reducing balance per annum. What is the net book value of the delivery van after 2 years ownership?
- A. RM24,000 C. RM38,400
B. RM36,000 D. RM48,000
33. The difference between the balance of Machinery Account and the related Accumulated Depreciation Account is termed as
- A. book value.
B. margin value.
C. market value.
D. mark-up value.
34. In the books of Chong Trading, a debit balance of RM3,400 in the account of Ahmad means
- A. Ahmad owes Chong Trading RM 3,400.
B. Chong Trading owes Ahmad RM 3,400.
C. Chong Trading has paid Ahmad RM3,400.
D. Ahmad has sold goods RM3,400 to Chong Trading.
35. When the costs spent in running a business exceed the gross profit plus other revenue, the result is said to be a _____.
- A. Gross Profit
B. Gross Loss
C. Net Profit
D. Net Loss
36. The following figures are related to the rent and rates expense of Muhamad Shafie, a mini market owner in 2011.
- | | |
|--------------------------|----------|
| Rent paid in advance at | |
| 1 January 2011 | RM5,000 |
| Payments in 2011 | RM35,000 |
| Rates paid in advance at | |
| 31 December 2011 | RM4,000 |
- What is the amount of rent and rates expense in the profit and loss account for the year ended 31 December 2011?
- A. RM26,000
B. RM34,000
C. RM35,000
D. RM36,000
37. _____ is a liability created when a business collects cash from customers in advance of providing goods or services.
- A. Accrued expense
B. Prepaid expense
C. Accrued revenue
D. Unearned revenue
38. Interest Received Account is
- i. increased by debits
ii. decreased by debits
iii. increased by credits
iv. decreased by credits
- A. i & ii
B. i & iii
C. ii & iii
D. iii & iv
39. "Summary of a business's revenues, expenses, and net income or net loss for a specific period." This statement refers to
- A. Trial Balance.
B. Income Statement.
C. Cash Flows Statement.
D. Financial Position Statement.
40. When an owner withdraws cash from the business to buy a gift for his son, it is referred to as
- A. Capital.
B. Drawings.
C. Donation.
D. General expenses.
41. Generally Debtors Account contains a debit balance. But at times, some debtors may have credit balances. These happen mainly because
- A. debtors are undercharged.
B. debtors cannot settle the full payments.
C. debtors return goods after settling their accounts.
D. debtors return goods before settling their accounts.
42. Sometimes a customer (debtor) of a firm is also a supplier (creditor). His accounts can be settled by a contra. What is the entry to record the contra transaction?
- A. debit Debtors Account, credit Bank Account
B. debit Creditors Account; credit Bank Account
C. debit Debtors Account; credit Creditors Account
D. debit Creditors Account; credit Debtors Account
43. What does the term 'working capital' mean? It means
- A. Opening Capital less Drawings.
B. Current Assets less Current Liabilities.
C. Current Assets less Non-Current Liabilities.
D. Non-current Assets less Non-Current Liabilities.
44. Chandra, a computer supplier has the following transactions recorded in its Sales Ledger in the year 2011:
- | | |
|---------------------------|-----------|
| Debtors at 1 January 2011 | RM5,000 |
| Sales in 2011 | RM105,000 |
| Receipts from debtors | RM76,000 |
| Credit notes sent in 2011 | RM2,000 |
- What is the total balance of debtors on 31 December 2011?
- A. RM26,000 C. RM108,000
B. RM32,000 D. RM174,000
45. A Bank Reconciliation Statement is a statement prepared by
- A. us to inform the bank about our cash balance.
B. the bank when the bank receives dishonoured cheques.
C. the bank to report the changes in the depositor's cash account.
D. us to identify and explain the difference between our cash book balance with the bank statement balance.

Final Examination Practice

SECTION A

MULTIPLE-CHOICE QUESTIONS (25 marks)

Instruction: This section consists of 25 multiple-choice questions. Answer ALL the questions.

- Which of the following processes show the process of accounting in the correct chronological order?
 - Classifying, recording, summarising, interpreting
 - Recording, classifying, identifying and interpreting
 - Identifying, recording, interpreting and summarising
 - Recording, summarizing, identifying, and interpreting
- "Anticipate no profits, but anticipate all losses." This statement refers to the
 - cost principle.
 - matching principle.
 - conservatism principle.
 - going concern principle.
- Which of the statements below are **TRUE** about a sole proprietorship?
 - it is easy to dissolve
 - it is relatively easy to form
 - it is a one-person business
 - it is separate from its owner
 - i & ii
 - ii & iii
 - i, ii & iii
 - i, ii, iii & iv
- Which of the following are **CORRECT** about source documents?

	Source document	Function
i.	Invoice	Sent by the seller to the buyer to inform the latter of the amount due on goods supplied
ii.	Credit note	Sent by the seller to the buyer when the latter returns goods
iii.	Debit note	Sent by the seller to the buyer when the latter has been undercharged
iv.	Receipt	This is an acknowledgement of payment made

- i, ii & iii
 - i, iii & iv
 - ii, iii & iv
 - i, ii, iii & iv
- Mohamad is a wholesaler. If he sells goods worth of RM50,000 to a mini market on account. How does this transaction affect Mohamad's accounting equation? It
 - increases both assets and liabilities by RM50,000.
 - increases both assets and owners' equity by RM50,000.
 - increases both liabilities and owners' equity by RM50,000.
 - decreases both liabilities and owners' equity by RM50,000.
 - Which of the transactions below will **NOT** have an effect in capital?
 - A profit of RM10,800 made by the business
 - A withdrawal of RM1,200 by the owner from the business
 - A fixed asset bought from Best Trading by the business for RM25,000
 - A second-hand van worth RM60,000 brought into the business by the owner
 - Which of the following journals is used to record the transaction of opening entries?
 - Cash Book
 - Sales Journal
 - General Journal
 - Purchases Journal
 - Which of the following Journals records the 'returns of goods sold'?
 - Sales Journal
 - Purchases Journal
 - Return Inwards Journal
 - Return Outwards Journal
 - Individual entries in the Sales Day Book are posted to the
 - debit side of the Sales Account.
 - credit side of the Sales Account.
 - debit side of the customer's account.
 - credit side of the customer's account.
 - Razif, a food supplier receives a cheque RM800 from Chong, a customer in full agreed settlement of an account which showed a debit balance of RM850. Which of the following entries records this transaction?
 - debit Bank RM800, debit Discount Allowed RM50, credit Chong RM800
 - debit Bank RM800, debit Discount Allowed RM50, credit Chong RM850
 - debit Bank RM800, debit Discount Received RM50, credit Chong RM850
 - credit Bank RM800, credit Discount Received RM50, debit Chong RM800
 - The purchase of a van cannot be recorded in the Purchases Account because it is
 - too expensive.
 - meant for sale.
 - for business usage.
 - purchased with the intention to make profit.
 - Which of the following is debited to the Trading Account?
 - Freight inwards
 - Freight outwards
 - Commission on sales
 - Commission on purchases

13. Which of the following accounts always has a credit balance?
- Bank Account
 - Sales Account
 - Drawings Account
 - Purchases Account
14. Which of the following is **NOT** included in the calculation of Gross Profit?
- Duty import
 - Carriage inwards
 - Carriage outwards
 - Insurance on purchases
15. Cost of goods sold is equal to
- opening stock + purchases + closing stock
 - opening stock - purchases + closing stock
 - opening stock + purchases - closing stock
 - closing stock + purchases - opening stock
16. The excess of sales revenue over the cost of goods sold is known as
- Gross Profit.
 - Gross Loss.
 - Net Profit.
 - Net Loss.
17. What is the entry to record for an **INCREASE** in the Provision for Doubtful Debts?
- debit Provision for Doubtful Debts; credit Debtors Account
 - debit Debtors Account; credit Provision for Doubtful Debts
 - debit Profit and Loss Account; credit Provision for Doubtful Debts
 - debit Provision for Doubtful Debts; credit Profit and Loss Account
18. The amount of debts which is known to be irrecoverable must be written off as
- bad debts.
 - doubtful debts.
 - bad debts recovered.
 - provision for bad debts.
19. The following balances were extracted from the books Chew Furniture on 31 July 2011:
- | | |
|-------------------|----------|
| Opening inventory | RM7,500 |
| Purchases | RM63,000 |
| Sales | RM98,000 |
| Expenses | RM15,000 |
- Closing stock was value at RM9,100.
- What was the gross profit of the business for the year ended 31 July 2011?
- RM21,000
 - RM27,500
 - RM35,000
 - RM36,600
20. A business started its financial year owing RM500 for general expenses. During the year it paid general expenses amounting to RM1,600 but owed RM300 by the end of the period. What will be the amount transferred to the Profit and Loss Account for general expenses?
- RM1,000
 - RM1,400
 - RM1,600
 - RM1,800
21. A business that installs a machine costing RM50,000. The machine is expected to last for 5 years and have a residual value of RM5,000. What would be the remaining book value after 2 years?
- RM20,000
 - RM22,000
 - RM30,000
 - RM32,000
22. "Amounts that are assets of a business because they represent items to be used later but are already paid for." This statement refers to
- Accrued expenses.
 - Prepaid expenses.
 - Accrued revenues.
 - Unearned revenues.
23. Financial Statements include
- Income statement
 - Statement of owner's equity
 - Balance Sheet
 - Statement of cash flows
- i & ii
 - i & iii
 - i & iv
 - i, ii, iii & iv
24. Which of the following statements are **TRUE** about a Balance Sheet?
- It is not an account
 - It has debit and credit sides
 - It shows the financial position of the business at a particular date
 - It shows the gross profit earned for the period covered by the accounts
- i & ii
 - i & iii
 - i & iv
 - i, iii & iv
25. What does the closing balance on a Debtors Control Account represent? It represents the amount
- owing to credit suppliers.
 - of total sales of the year.
 - due from credit customers.
 - received from credit customer for the year.

SECTION B**STRUCTURE ESSAY (75 marks)**

Instruction: This section consists of THREE (3) questions. Answer ALL questions.

QUESTION 1

Pandai Lela the owner of Pandainya Enterprise, with accounting year ends on 31 December 2011. As an accounts clerk, you are asked to make all necessary adjustments to complete her financial statements.

The following is the Trial Balance of Pandainya Enterprise as at 31 December 2011.

	Debit (RM)	Credit (RM)
Land	580,000	
Office equipment	75,000	
Motor vehicles	125,000	
Provision for depreciation: Office equipment		12,500
Bank	42,500	
Cash	2,500	
Salaries	48,500	
Debtors and Creditors	67,500	57,600
Provision for doubtful debts		525
Insurance	18,000	
Rental	7,500	16,000
Water and electricity	950	
Opening inventory	27,000	
Short term loan		18,000
Mortgage		150,000
Returns	2,500	3,420
Travelling expenses	2,300	
Carriage inwards	1,000	
Drawings	2,400	
Duties import	7,500	
Capital, 1 January 2011		584,855
	1,360,150	1,360,150

The following additional information is available as at 31 December 2011:

- Closing stock was RM23,000 at market value and RM32,000 atcost value.
- Insurance premium was paid for one year to 30 April 2012.
- Pandai Lela has taken RM2,000 from bank to pay for his son's school fees.
- Part of the building was rented to a tenant at RM12,000 per year.
- Carriage outwards is 70% out of carriage inwards.
- Depreciation of fixed assets (except Land) to be charged at the rate of 10% per annum by using reducing balance method.
- The Provision for doubtful debts was to be adjusted to 1% of the debtors.

You are required to prepare:

- Statement of Comprehensive Income For the year ended 31 December 2011.
- Statement of Financial Position as at 31 December 2011.

(13 marks)

(12 marks)

QUESTION 2

Tang Mini Market keeps subsidiary ledgers for accounts receivable (debtors) and accounts payable (creditors). At 1 January 2011, the balances in the control accounts in the general ledger were:

	Debit (RM)	Credit (RM)
Debtors Control Account	74,500	510
Creditors Control Account	270	39,360

The summarized transactions on 31 January 2011 were:

	RM
Sales (including cash sales RM6,100)	92,100
Purchases (including cash purchases RM3,268)	41,800
Returns inwards	2,700
Returns outwards	1,930
Cheques received from debtors (including bad debts recovered RM650)	68,650
Cheques paid to creditors	32,419
Discount expense	3,400
Discount revenue	1,600
Dishonoured cheques	2,850
Cancellation of discount expense	125
Bad debts written off	3,810
Provision for doubtful debts	1,620
Carriage charged to debtors	2,490
Carriage charged by creditors	1,874
Interest charged to overdue debtors	2,762
Interest charged by creditors	954
Creditors' accounts settled by contra from debtors ledger	2,110

Balances as at 31 January 2011:

	Debit (RM)	Credit (RM)
Debtors Control Account	-	864
Creditors Control Account	592	-

You are required to prepare:

- Debtors Control Account for January 2011.
- Creditors Control Account for January 2011.

(14 marks)

(11 marks)

QUESTION 3

- What is the purpose of preparing a bank reconciliation statement? (2 marks)
 - State 3 reasons for discrepancies between the Cash Book (bank column) balance with the Bank Statement Balance. (6 marks)
- Adam Enterprise sells hardware products. In early May, Adam Enterprise received its Bank Statement for the period ended 30 April 2011 which did not agree with the Cash Book balance.



ADAM ENTERPRISE
Cash Book (bank column)

Apr 2011		RM	Apr 2011	Cheque No.	Particulars	RM
1	Balance b/d	25,180.30	1	CIMB110	Zoa Factory	1,333
			2	CIMB111	Chin Lee	2,350
2	Besi Trading	2,860		CIMB112	STL Ltd	2,775
10	Screw Enterprise 14550	11,200	4	CIMB113	SYABAS Bhd	130.50
14	Wood Trading	2,380	10	CIMB114	Loo – rent	1,500
21	Plaster Co	4,333	17	CIMB115	LSTR	11,515
27	Thinner Ltd 05212	512.70		CIMB116	Fix Ltd	2,145
28	Woo Enterprise 11222	2,550	30	CIMB117	Telekom	160
	Thoo Enterprise 22233	1,450		CIMB118	So Ah	350
				CIMB119	Mon Trading	1,350
			31	Balance c/d		26,857.50
		50,466				50,466
May 1	Balance b/d 26,857.50					

CIMB ISLAMIC
TAMAN IADAMAN BAYU SERVICE CENTRE

ADAM ENTERPRISE
NO 13 JALAN IDAMAN BAYU 1/1
BANDAR BARU SENDAYAN

PAGE 1
STATEMENT DATE 30/4/2011
ACCOUNT NUMBER 160214017811

Eligible for protection by PIDM

ISLAMIC CURRENT ACCOUNT

ACCOUNT TRANSACTIONS

ENTRY DATE	VALUE DATE	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	STATEMENT BALANCE
		Beginning Balance		31,392.50
1/04		Inward clearing Cheque Debit 012	2,500 –	
2/04		CDM Cash deposits	2,860 +	
4/04		Inward clearing Cheque Debit 111	2,350 –	
5/04		Inward clearing Cheque Debit 110	1,333 –	
		Bank charges	1.50 –	
15/04		Inward clearing Cheque Debit 113	130.50 –	
		Inward clearing Cheque Debit 114	1,500 –	
		Cheque deposits	2,380 +	
17/04		Inward clearing Cheque Debit 115	11,515 –	
		Cheque 14550	11,250 +	
21/04		ATM Cash Deposit	5,450 +	
22/04		Cheque 20004	3,000 +	
25/04		Cheque 20004	2,380 –	
28/04		Dishonoured cheque		
		Inward clearing Cheque Debit 116	2,145 –	
		Standing Order – Hire purchase	750 –	
		Interest on Fixed Deposit	250 +	
		Cheque 22233	1,450 +	
		Ending Balance	24,605	
		Total Debits	26,640	
		Total Credits	29,357.50	

Additional information:

1. The amount received from Screw Enterprise was wrongly recorded in the Cash Book.

You are required to:

- (i) show the necessary adjustments in the Cash Book of Adam Enterprise, bringing down the correct balance on 30 April 2011.
- (ii) prepare a Bank Reconciliation Statement showing the balance as per Bank Statement on that date.

(8 marks)
(9 marks)

Final Examination June 2011

SECTION A

OBJECTIVES (25 marks)

INSTRUCTIONS: This section consists of TWENTY FIVE (25) objective questions. Answer ALL the questions in the answer booklet.

- We assume that it makes sense to have monthly, quarterly, and annual accounting periods where we stop to assemble financial statements. Fiscal years sometimes don't align with calendar years. (CLO1)
Based on the above statement, which accounting assumption are they referring to?
A. Separate business entity
B. Going concern
C. Monetary unit
D. Accounting period
- Which of the following is not the role of an accountant? (CLO1)
A. Prepare financial reports
B. Manage and run the business
C. Comply with the accounting standards
D. Communicate the financial information to stakeholders
- When does an accountant record a transaction? (CLO1)
A. If it is materialized by a concrete document.
B. If it has a tax implication.
C. On managers' demand.
D. None of the above.
- What is the function of financial accounting? (CLO1)
A. To determine the amount of tax to be paid
B. To ensure salary increments and other benefits
C. Provide a picture of the financial position of business
D. To know the ability of a company or business to repay loans or debt
- The statement below is **TRUE** about partnership and sole proprietor (CLO1)
A. Both entity have unlimited liability
B. Both entity have limited liability
C. Partnership has unlimited liability
D. Sole proprietor has unlimited liability
- The basic sequence in the accounting cycle can be **BEST** described as: (CLO1)
A. Transaction, journal entry, source document, ledger account and trial balance
B. Source document, transaction, ledger account, journal entry and trial balance
C. Transaction, source document, journal entry, trial balance and ledger account
D. Transaction, source document, journal entry, ledger account and trial balance

- Which of the following is not true? (CLO1)

	Source documents	Business transactions
A.	Invoice received	Credit purchases
B.	Invoiced issued	Credit sales
C.	Credit note received	Return outwards
D.	Credit note issued	Return outwards

- A payment of cash for the purchases of services should be recorded in the (CLO1)
A. purchases journal
B. cash receipts journals
C. revenue journal
D. cash payments journal
- Which of the following category of account is debited when it is increased? (CLO2)
A. Revenue
B. Purchases
C. Source of funds
D. Liability
- Which of the following Accounting Equation is incorrect? (CLO2)

Assets	Liabilities	Capital
A. RM11,700	RM2,500	RM9,200
B. RM7,400	RM2,300	RM5,100
C. RM7,130	RM1,080	RM6,050
D. RM6,800	RM3,200	RM10,000

- Which of the following statement is **CORRECT**? (CLO2)

		Effect upon	
		Assets	Liabilities
A.	We paid a creditor by cheque.	-Bank	-Creditors
B.	A debtor paid us RM90 in cash.	+Cash	+Debtors
C.	Halim lends us RM500 by cheque.	+Bank	-Loan from Halim
D.	Bought goods on credit.	+Stock	+ Capital

- Which of the following is not caused by an error in the Trial Balance? (CLO2)
A. A figure is entered in the wrong column of the trial balance
B. A column in the trial balance has been totaled incorrectly
C. A customer did not pay a bill on time
D. There is an error in one of the contributing accounts
- Aryani Enterprise has net sales of RM 380,000 and gross profit of RM72,000. What is the opening stock if the net purchases are RM183,000 and the closing stock is RM35,000? (CLO3)
A. RM160,000
B. RM90,000
C. RM155,000
D. RM95,000

14. If a business pays for only 11 months rent during a financial year, what accounting term is given to the outstanding one month's rent? (CLO3)

A. Repayment
B. Prepayment
C. Underpayment
D. Accrual

15. Accrual-basis accounting _____ (CLO3)

A. results in higher income than cash-basis accounting.
B. leads to the reporting of more complete information than cash-basis accounting.
C. brings asset and liability accounts to a correct balance.
D. omits adjusting entries at the end of the period.

16. The following information was taken from Mary Kay Account for the year 2010:

Debtor	5,400
Bad debt	1,200

On 31 December 2010, the information is not yet recorded:

- i) Bad debt of RM 200 must be written off
ii) Provision for doubtful debt is 5 % of debtors

How much is the value of provision for doubtful debt? (CLO3)

A. RM200
B. RM240
C. RM260
D. RM270

17.

Annual Depreciation	=	Cost of Assets	x	Depreciation rate
----------------------------	----------	-----------------------	----------	--------------------------

The above formula or equation is used to calculate depreciation under (CLO3)

A. straight Line Method
B. reducing Balance Method
C. revaluation Method
D. sum of Digits Method

18. A business received cash from a customer in payment for future rental. The correct debit and credit are: (CLO3)

A. Debit cash, credit prepaid rent revenue
B. Debit rent, credit prepaid rent revenue
C. Debit debtor, credit prepaid rent revenue
D. Debit prepaid rent revenue, credit rent

19. The following information is gathered on Celia Trading trial balance on 31 December 2010: (CLO3)

Rental RM1,000

Additional information:

- i) At the end of December 2010, the outstanding rental is RM200.

Which of the following account balance below is **CORRECT** relating to the above adjustment?

A. Accrued rental of RM200 is recorded as current asset in Balance Sheet
B. Rental of RM1,000 is recorded as expenses in Profit and Loss Account
C. Rental of RM800 is recorded as expenses in Profit and Loss Account
D. Accrued rental of RM200 is recorded as current liability in Balance Sheet

20. Which of the following account is recorded in the Sales Ledger?(CLO3)

A. Debtor account
B. Creditor account
C. Real account
D. Nominal account

21.

Dishonoured cheques RM560
Discount allowed RM120

According to the above information, where should the item be located in the Debtors Control Account? (CLO3)

A. Debit: Discount Allowed, Credit: Dishonoured Cheques
B. Debit: Discount Allowed, Credit: Discount Allowed
C. Debit: Dishonoured Cheques, Credit: Discount Allowed
D. Debit: Dishonoured Cheques, Credit: Dishonoured Cheques

22. Determine the balance in the Payable Controls Account from the information given below: (CLO3)

2010

Jan 1	Balance in Purchase Ledger	RM12,200
31	Purchase (Include cash Purchase RM300)	RM33,000
	Cash Payment to Creditors	RM31,700
	Return Outward	RM340
	Discount Received	RM260

A. Credit balance RM12,600
B. Debit balance RM12,600
C. Credit Balance RM13,120
D. Debit Balance RM13,120

23. In a bank reconciliation, outstanding cheques are: (CLO4)

A. deducted from the book balance
B. added to the book balance
C. added to the bank balance
D. deducted from the bank balance

24. All the following has to be ADDED when preparing a Bank Reconciliation Statement starting from debit balance as per Cash Book EXCEPT (CLO4)

A. Unpresented cheques
B. Dishonoured cheques
C. Direct receipts
D. Errors in the cash book

25. ONE (1) of the reasons we update the cash book is..... (CLO4)

A. to correct the cash book balance in order for the balances to agree (have the same figure) with the actual balance of the current account at the bank.
B. to identify the errors that company made in bank statement and cash book.
C. to make the strategic planning for the business goals.
D. to help the company arrange the data in the bank statement and cash book easily.

SECTION B**ESSAY (75 marks)****INSTRUCTION:** This section consists of **THREE (3)** essay questions. Answer **ALL** the questions.**QUESTION 1**

- a. What is a Trial Balance? (CLO2) (4 marks)
- b. List only **THREE (3)** functions of trial balance in the accounting recording system. (CLO2) (6 marks)
- c. Below are the account balances from the book of Alisya Trading as at 31 Dec 2010

Particulars	RM
Capital	47,400
Fixtures	8,000
Provision for depreciation on fixtures	800
Drawings	600
Premises	39,400
Carriage inwards	960
Rent received	5,500
Duty on imported goods	460
Insurance on imported goods	330
Bank	7,050
Stock (1 January 2010)	2,400
Repairs	180
Fittings (cost)	4,500
Purchases	25,400
Returns outwards	400
Sales	37,610
Returns inwards	200
Fixed deposit	5,000
Interest on fixed deposit	250
Debtors	2,300
Creditors	1,375
Provision for doubtful debts	85
Insurances	440
Cash	368
Assessment rates	117
Loan	8,000
Salaries	4,200
Wages	225
Discount received	390
Commission received	320

You are required to prepare a trial balance as at 31 December 2010 (CLO2) (15 marks)

QUESTION 2

The following information was obtained from Afiq Sport Centre as at 31 July 2009.

Particulars	RM
Beginning inventories	7,950
Capital	60,000
Purchases	40,100
Sales	64,540
Return inwards	550
Return outwards	480
Debtors	16,800
Creditors	10,420
Drawings	3,600
Cash	1,580
Premises	40,000
Fixtures and fittings	28,000
Provision for depreciation- fixtures and fittings	2,800
Provision for doubtful debt	1,100
Carriage inwards	890
Carriage outwards	670
Discount allowed	810
Discount received	1,050
Commission received	350
Import duty	4,100
Promotion expenses	1,880
Insurance	720
Bad debts	270
Bank loan	15,000
Interest on bank loan	750
Salary	5,650
General expenses	1,420

Additional information:

- 1) Salary accrued as at 31 July 2009 was RM1,560.
- 2) Insurance represented 6 months premium until 31 October 2009.
- 3) A debtor cannot settle his debt amounting to RM200.
- 4) Provision for doubtful debt is provided at 10% on total debtors.
- 5) Fixtures and fittings depreciated at 10% per annum on cost.
- 6) A store was built in the business premises worth RM1,500 and the payment was made by cash. This transaction is completely omitted from the books.

You are required to prepare:

- a) Income and Expenses Statement
- b) Statement Of Financial Position/ Balance Sheet

(CLO3)

(15 marks)

(CLO3)

(10 marks)

QUESTION 3

The following information is extracted from the book of Lee Enterprise for 2010:

	Balance on	1 January 2010 RM	31 December 2010 RM
Debtors Ledger	Debit	12,100	?
	Credit	1,354	1,500
Creditors Ledger	Debit	1,760	360
	Credit	5,742	?

The following is the transactions for the year 2010

	RM
Dishonored cheque	3,541
Cash received from customers (included bad debts recovered RM500)	131,500
Credit purchases (included cash purchases RM600)	123,600
Discount allowed	3,700
Provision for doubtful debts	360
Sales return	2,340
Purchases return	2,270
Credit sales (included cash sales RM920)	140,920
Interest charged on overdue accounts	1,595
Cash paid to creditors	81,245
Accounts settled off by contra	3,257
Discount received	1,060
Bad debts written-off	2,210
Cash refunded to customers	600

You are required to prepare:

- Debtors control account.
- Creditors control account.
- State 3 purposes of control accounts.

(CLO3)

(13 marks)

(CLO3)

(9 marks)

(CLO3)

(3 marks)



Final Examination June 2012

SECTION A

OBJECTIVES (25 marks)

INSTRUCTION: This section consists of TWENTY FIVE (25) objective questions. Answer ALL.

1. Which of the following accounting equation is correct? [CLO 1 : C1]

	Assets	Liabilities	Capital
A.	5,000	10,000	5,000
B.	10,000	5,000	5,000
C.	5,000	5,000	10,000
D.	None of the above		

2. The process of accounting can be described as: [CLO 1:C1]

- A. Classifying, summarizing, recording and interpreting
- B. Interpreting, classifying, summarizing and recording
- C. Classifying, recording, summarizing and interpreting
- D. Recording, classifying, summarizing and interpreting

3. In accounting terms, the owner and his business are regarded as two different parties. [CLO 1 :C2]

- A. Historical cost concept
- B. Conservatism concept
- C. Separate entity concept
- D. Money measurement concept

4. All of the following are the internal users of accounting information for a company **EXCEPT** [CLO 1 :C2]

- A. President of the company
- B. Production manager
- C. Purchasing clerk
- D. President of the employee's labor union

5. The word 'credit means' in book-keeping is: [CLO 1 : C1]

- A. Add value onto an account
- B. Deduct value from an account
- C. Left-hand entry in an account
- D. Right-hand entry in an account

6. A firm pays RM50 from its cash till to its bank account. The double entry for this transaction would be: [CLO 1 : C2]

- A. Debit Cash RM50, Credit Bank RM50
- B. Debit Cash RM25, Credit Bank RM25
- C. Credit Cash RM50, Credit Bank RM50
- D. Credit Cash RM 50, Credit Bank RM50

7. When the owner of a business withdraws goods for personal consumption, what is the implication to the firm's basic accounting equation? [CLO 1 : C3]

	ASSET	LIABILITY	EQUITY
A.	Unchanged	Decreased	Increased
B.	Increased	Increased	Decreased
C.	Increased	Decreased	Unchanged
D.	Decreased	Unchanged	Decreased

8. Repayment of bank loan will [CLO 1 : C2]

- A. increase an asset and decrease another asset
- B. decrease an asset and decrease owner's equity.
- C. decrease an asset and decrease a liability
- D. decrease an asset and increase a liability.

9. Which of the following are considered as current asset? [CLO 1 : C2]

- i. office furniture
- ii. debtors
- iii. bank overdraft
- iv. office equipments
- v. inventories

- A. i & iv
- B. ii & iii
- C. ii & v
- D. iii & v

10. Which of the following expenses does not involve any payment of cash? [CLO 1 : C2]

- A. Insurance
- B. Salary
- C. Bad debts
- D. General expenses

11. Gross profit will result if: [CLO 1 :C2]

- A. operating expenses are less than net income
- B. sales revenues are greater than operating expenses
- C. operating expenses are greater than cost of goods sold
- D. sales revenues are greater than cost of goods sold

12. If the beginning inventory is RM40,000; cost of goods purchased is RM380,000; and closing inventory is RM50,000. What is the cost of goods sold? [CLO 1 : C2]

- | | |
|--------------|--------------|
| A. RM390,000 | C. RM330,000 |
| B. RM370,000 | D. RM420,000 |

13. If sales revenue is RM400,000; cost of goods sold is RM250,000; and operating expenses is RM60,000; the gross profit would be: [CLO 1 : C1]

- | | |
|--------------|--------------|
| A. RM90,000 | C. RM340,000 |
| B. RM150,000 | D. RM400,000 |

14. Unearned Fees appears on the [CLO 1 : C2]

- A. Balance sheet in the current assets section
- B. Balance sheet as a current liability
- C. Balance sheet in the long-term liabilities section
- D. Income statement as revenue

15. The appropriate journal entry to record equipment depreciation expense would consist of a debit to Depreciation Expense and a credit to which of the following accounts? [CLO 1 : C2]

- A. Equipment
- B. Provision for Depreciation – Equipment
- C. Retained Earning
- D. Cash

16. The correct double entry to record adjustment entries for one-year interest on fixed deposit has not yet been received. [CLO 1 : C2]
- Dr Accrued Interest on Fixed Deposit
Cr Interest on Fixed Deposit
 - Dr Interest on Fixed Deposit
Cr Unearned Interest on Fixed Deposit
 - Dr Fixed Deposit
Cr Interest on Fixed Deposit
 - Dr Interest on Fixed Deposit
Cr Fixed Deposit
17. When accruing unpaid expenses, the required adjusting entry will include which of the following? [CLO 1 : C2]
- A debit with an expense account and credit the liability account
 - A debit with an expense account and credit the owners' equity account
 - A debit with an expense and credit cash
 - A debit with an expense and credit retained earnings
18. Which of the following is recorded in the credit side of Debtors Control Account? [CLO 1 : C2]
- Discount allowed withdrawn
 - Bad debts
 - Provision for bad debts
 - Bad debts recovered
19. Purchases figures in the creditors control account refers to [CLO 1 : C2]
- Cash purchases only
 - Credit purchases only
 - Both cash and credit purchases
 - Discount purchases transactions only
20. Balance transfer from debtors account to creditors account or otherwise, refers to [CLO 1 : C2]
- Change
 - Transactions
 - Discount
 - Contra
21. The following particulars are recorded in creditors control account, **EXCEPT** [CLO 1 : C2]
- Returns outwards
 - Discount received
 - Carriage inwards
 - Cash purchases
22. The accounting entry to record bank charges deducted from the bank account of the business is _____. [CLO 1 : C2]
- Debit bank charges, Credit bank account
 - Debit cash account, Credit bank charges account
 - Debit interest account, Credit bank account
 - Debit bank charges account, Credit cash account
23. What item should be recorded on the credit side of updated cash book? [CLO 1 : C2]
- Interest on fixed deposit
 - Dividend
 - Credit transfer
 - Cheque book
24. What are the purposes of preparing the bank reconciliation statements? [CLO 1 : C3]
- To show company's financial position
 - To adjust the balances in cash book with bank statements
 - To control the recording and handling of cash book
 - To show the discrepancies in the cash book balances with bank statement balances
- i and ii
 - i and iii
 - ii and iv
 - iii and iv
25. A cheque paid by the bank of RM551 was incorrectly recorded in the company's books as RM511. The appropriate adjustment in the Bank Account in the general journal would be _____. [CLO 1 : C3]
- debit RM551
 - debit RM40
 - credit RM40
 - credit RM551

SECTION B**STRUCTURED (75 marks)****INSTRUCTION: This section consists of THREE (3) structured questions. Answer ALL.****QUESTION 1**

a) List (FIVE) 5 Rules of Double Entry

[CLO1:C1]

(5 marks)

b) Miss Yen Yen is the owner of Yen Yen Pastry House in Penang. Following are balance as at 1 JULY 2012:

	RM
Office equipment	8,500
Cash at bank	12,000
Debtor : Siti Catering Services	1,500
Creditor : Yuhana Bhd	3,000
Capital	19,000

Business transactions for July 2012 are as follows:

JULY 2012	TRANSACTION
3	Yen Yen withdrew cash from the bank account for office use worth RM500.
8	Credit sales to Siti Catering Services worth RM2,220.
12	Siti Catering Services returned expired cup cakes worth RM220.
15	Yen Yen made additional contribution to capital by buying in a printer worth RM1,000.
28	Yen Yen paid shoplot rental by cheque worth RM650.

You are required to:

- Post all transactions to relevant ledgers.
- Prepare the Trial Balance as at 31 July 2012.

[CLO1:C3]

(10 marks)**(10 marks)**

QUESTION 2

a) What is the accounting equation?

[CLO1:C1]

(1.5 marks)

b) Below is the Trial Balance of Mighty Chocolate Bhd as at 31 December 2011.

	Debit (RM)	Credit (RM)
Capital		35,000
Motor vehicle	60,000	
Office equipment	25,000	
Provision for depreciation - Motor vehicle		10,000
Provision for depreciation - office equipment		5,000
Fixed deposit	5,000	
Bank	6,400	
Cash	2,500	
Loan		22,500
Drawings	2,000	
Inventory	8,500	
Purchases and Sales	46,200	94,800
Return outwards and Return inwards	1,030	1,100
Freight inwards	680	
Freight outwards	850	
Insurance for purchases	450	
Salaries	4,500	
Water and electricity	850	
Rental	3,300	
Bad debts	290	
Debtors and Creditors	9,000	7,500
Provision for doubtful debts		650
	176,550	176,550

Additional information for the year ending 31 December 2011:

1. Stock as at 31 December 2011 is RM14,500.
2. Accrued commission revenue RM1,200.
3. Monthly rental is RM350 per month.
4. Bad debt has been recovered by cash of RM500.
5. Provision for doubtful debts is RM400.
6. Motor vehicle depreciated at a rate of 20% per annum on cost and office equipment

You are required to prepare:

- i) Statement of Comprehensive Income for the year ended 31 December 2011.
- ii) Statement of Financial Position as at 31 December 2011.

[CLO1:C3]
(12 marks)
(11.5 marks)



QUESTION 3

The following information was extracted from the books of AC/DC Enterprise at 31 December 2011.

	1 Jan. 2011	31 Dec.2011
	RM	RM
Accounts receivable balance	4,560	5,475
Accounts payable balance	5,225	4,770
Inventory	6,770	7,029

These transaction has taken place in current year:

	RM
Cheques paid to credit suppliers	12,885
Received cash and cheques from credit customers	20,750
Sales returns	605
Purchases returns	580
Discount received	825
Discount allowed	730
Cash purchases	6,125
Cash sales	9,845
Dishonored cheque from customer	620
Discount allowed withdrawn	215
Interest charges on debtors	85
Carriage charges by creditor	140
Bad debts	335
Bad debt recovered	110
Transfer of sales ledger to purchases ledger	185
Took goods for personal use	580

You are required to prepare the following accounts for the year ended 31 December 2011:

- Debtors control account
- Creditors control account
- Trading account

[CLO1:C3]
(10 marks)
(10 marks)
(5 marks)

NOTES

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NOTES

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**TARIKH DIPULANGKAN
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