



interest earnings revenue
emolument cash income
accounting
report proceeds wage pay
bonus salary coin
advantage profit payment
value benefit return evaluate

HF
5635
.F86
2012

**3rd
Edition**

Fundamentals of Accounting Workbook

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

Name:

Registration nos.:

Programme/class:

00027844

Fundamentals of Accounting Workbook 3rd Edition



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PERPUSTAKAAN POLITEKNIK PORT DICKSON	
PESANAN KERAJAAN	
NO. INVOIS	
PEMBEKAL	AMERASAD
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Source Documents

QUESTION 1

Wong, the owner of Good Cooking Oil Trading is a wholesaler of cooking oil based in Port Dickson. Below are the source documents that are used in his business transactions in June 2013.

You are requested to explain the following source documents.

Example:

Document 1

INVOICE

No.: 1245

Good Cooking Oil Trading
22, Jalan Teluk Kemang
71050 PORT DICKSON

Date: 3 June 2013

To:
Family Mart
Jalan Besar,
70200 SEREMBAN

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Eagle Cooking Oil	50	25.00	1,250.00
				1,250.00
			Less 10% trade discount	125.00
			Total	1,125.00

(Ringgit Malaysia: One thousand one hundred and twenty five only)

Wong
Manager

Explanation: Good Cooking Oil Trading sold goods to Family Mart on credit amounting to RM1,125 on 3 June 2013.

Document 2

INVOICE

No.: 1246

Good Cooking Oil Trading
22, Jalan Teluk Kemang
71050 PORT DICKSON

Date: 5 June 2013

To:
Food Trading
Jalan Utama
70200 SEREMBAN

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Pisau Cooking Oil	100	30.00	3,000.00
				3,000.00
			Less 10% trade discount	300.00
			Total	2,700.00

(Ringgit Malaysia: Two thousand and seven hundred only)

Wong
Manager

Explanation: _____

INVOICE

No.: 3401

Ishak Trading
104, Jalan Maru
Selangor

Date: 7 June 2013

To:
Good Cooking Oil Trading
22, Jalan Teluk Kemang
71050 PORT DICKSON

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Sunflower Cooking Oil	80	15.00	1,200.00
				1,200.00
			Less 10% trade discount	120.00
			Total	1,080.00

(Ringgit Malaysia: One thousand and eighty only)

Ishak
Manager

Explanation: _____

INVOICE

No.: 2022

Chong Furniture
10, 2/2 Jalan Tok Ungku
70100 SEREMBAN

Date: 9 June 2013

To:
Good Cooking Oil Trading
22, Jalan Teluk Kemang
71050 PORT DICKSON

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Cabinet	5	5,000.00	25,000.00
				25,000.00
			Less 10% trade discount	2,500.00
			Total	22,500.00

(Ringgit Malaysia: Twenty two thousand and five hundred only)

Chong
Manager

Explanation: _____

Document 5

CREDIT NOTE

No.: 1009

Ishak Trading
104, Jalan Maru
Selangor

Date: 12 June 2013

To:
Good Cooking Oil Trading
22, Jalan Teluk Kemang
71050 PORT DICKSON

Your account will be credited as follows:

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Sunflower Cooking Oil	7	15.00	105.00
				105.00
			Less 10% trade discount	10.50
			Total	94.50

(Ringgit Malaysia: Ninety four and cents fifty only)

Ishak
Manager

Explanation: _____

Document 6

CREDIT NOTE

No.: 0098

Good Cooking Oil Trading
22, Jalan Teluk Kemang
71050 PORT DICKSON

Date: 14 June 2013

To:
Food Trading
Jalan Utama
70200 SEREMBAN

Your account will be credited as follows:

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Pisau Cooking Oil	10	30.00	300.00
				300.00
			Less 10% trade discount	30.00
			Total	270.00

(Ringgit Malaysia: Two hundred and cents seventy only)

Wong
Manager

Explanation: _____

OFFICIAL RECEIPT

No.: 392

Date: 20 June 2013

Good Cooking Oil Trading
22, Jalan Teluk Kemang
71050 PORT DICKSON

Received from : Food Trading
Ringgit : Two thousand four hundred thirty only
Payment for : Invoice1246

RM2,430.00
Cash/Cheque: MBB113045

Wong
Manager

Explanation: _____

MEMO

Date: 22 June 2013

Good Cooking Oil Trading
22, Jalan Teluk Kemang
71050 PORT DICKSON

Took cooking oil RM15.00 for own use

Wong
Manager

Explanation: _____

CASH BILL

No: 4102

Date: 24 June 2013

STT Computer Centre
1/3 Jalan Tengah Timur
70450 SEREMBAN

To:
Good Cooking Oil Trading

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Acer Computer	1	2,300.00	2,300.00
			Total	2,300.00

(Ringgit Malaysia: Two thousand three hundred only)

Cash/Cheque:

STT
Manager

Explanation: _____

Document 10

INVOICE

Best Cooking Oil Trading
10, Jalan Kunci 1
Selangor

No.: 4022

To:
Good Cooking Oil Trading
22, Jalan Teluk Kemang
71050 PORT DICKSON

Date: 24 June 2013

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Best Cooking Oil	100	32.00	3,200.00
				3,200.00
			Less 10% trade discount	320.00
			Total	2,880.00

(Ringgit Malaysia: Two thousand eight hundred and eighty only)

Bala
Manager

Explanation: _____

Document 11

PAYMENT VOUCHER

Good Cooking Oil Trading
22, Jalan Teluk Kemang
71050 PORT DICKSON

No.: 117

To: Mohd Arif

Date: 30 June 2013

No.	Description	Amount (RM)	Signature
1.	Payment of June salary	1,500.00	Mohd Arif

(Ringgit Malaysia: One thousand five hundred only)

Cash/Cheque:

Approved by
Wong
Manager

Explanation: _____

DEBIT NOTE

No.: 0102

Best Cooking Oil Trading
10, Jalan Kunci 1
Selangor

Date: 30 June 2013

To:

Good Cooking Oil Trading
22, Jalan Teluk Kemang
71050 PORT DICKSON

Your account will be debited as follows:

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Best Cooking Oil undercharged	100	10.00	1,000.00
				1,000.00
			Less 10% trade discount	100.00
			Total	900.00

(Ringgit Malaysia: Nine hundred only)

Bala
Manager

Explanation: _____

QUESTION 2

Mr. Rostam, the owner of PY Stationery Trading started his business as a distributor of office stationery in Port Dickson, Negeri Sembilan. He started the business on the 1 April 2013 with cash at bank RM150,000 as capital.

Below are the source documents that are used in his business transactions in April 2013.

You are requested to record the following transactions into Sales Journal, Purchases Journal, Sales Returns Journal, Purchases Returns Journal, Cash Book and General Journal.

Document 1

INVOICE

No.: 1800

Concept Maju Sdn Bhd
No 333 Park Avenue Seremban 2
Seremban

Date: 2 April 2013

To:
PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Shelves	20	250.00	5,000.00
2.	Cabinets	10	1,000	10,000.00
				15,000.00
			Total	15,000.00

(Ringgit Malaysia: Fifteen thousand only)

Approved by
Mansur
Manager

INVOICE

No.: 0250

Wisdom Stationery Supplies
Bandar Baru Bangi
45000 Selangor Darul Ehsan

Date: 3 April 2013

To:
PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

No.	Description	Quantity	Price/unit	Amount (RM)
1.	HP36A Toner Cartridge	20	215.00	4,300.00
2.	Double A Paper A4 80 gsm	1,000	8.00	8,000.00
3.	Wisdom 403 Level Arch File	100	2.80	280.00
4.	Kilometrico 100 Ball Pen Fine	100	0.60	60.00
5.	Stabilo Boss Highlighter	70	3.00	210.00
6.	Faber- Castell 1425 Super click 0.55mm	50	0.80	40.00
7.	Pilot G-2 Roller Ball Pen 0.7mm	30	4.60	138.00
8.	ABBA Silver Arch File 3"	50	3.80	190.00
9.	BIC School Glue 37 ml	20	1.50	30.00
10.	Folio Office Glue 1000 g	20	5.50	110.00
11.	UHU Happy Glue 50 ml	20	1.00	20.00
12.	UHU Stick	50	3.50	175.00
13.	Faber- Castell 7085-20D Eraser	100	0.70	70.00
14.	Faber-Castell 7086-30D Eraser	100	0.20	20.00
15.	MAX DP-F2BN B Puncher	25	10.00	250.00
16.	Max HD-10 Stapler	25	3.50	87.50
17.	Max HD-88R Stapler	15	25.00	375.00
18.	Max No.10-1M Staplers	100	0.50	50.00
19.	Max No 3-1M Staplers	100	1.00	100.00
20.	Penguin No.025 Paper Clip	200	0.50	100.00
21.	Faber- Castell Tac-It 50gsm	50	3.00	150.00
22.	Artline 500 Marker Pen	200	2.00	400.00
23.	Artline 70 Marker Pen	100	2.00	200.00
24.	Faber-Castell 1424 Grip Ball 0.7mm	100	1.00	100.00
				15,455.50
			Less 10% trade discount	1,545.55
			Total	13,909.95

(Ringgit Malaysia: Thirteen thousand nine hundred nine and ninety five cents only)

Approved by
Lily
Manager

Document 3

MEMO

PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

Date: 3 April 2013

Took stationery RM50.00 for business use.

Approved by
Rostam
Manager

Document 4

INVOICE

No.: 0001

PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

Date: 4 April 2013

To:
Pustaka Sri Ilmu
No 15 Blok G Bangunan Tun Sim Sum
17000 Sg. Buloh
Selangor

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Double A Paper A4 80 gsm	200	10.00	2,000.00
2.	Wisdom 403 Level Arch File	100	3.80	380.00
				2,380.00
			Less 5% trade discount	119.00
			Total	2,261.00

(Ringgit Malaysia: Two thousand two hundred sixty one only)

Approved by
Rostam
Manager

CASH BILL

No: C0001

PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

Date: 4 April 2013

To:
Noordin Abu Bakar

No.	Description	Quantity	Price/unit	Amount (RM)
1.	ABBA Silver Arch File 3"	12	8.50	102.00
2.	Kilometrico 100 Ball Pen Fine	20	1.20	24.00
3.	HP36A Toner Cartridge	4	300.00	1,200.00
4.	Double A Paper A4 80 gsm	20	10.00	200.00
				1,526.00
			Less 5% cash discount	76.30
			Total	1,449.70

(Ringgit Malaysia: One thousand four hundred forty nine and seventy cents only)

Cash/Cheque:

Approved by
Rostam
Manager

DEBIT NOTE

No.: DN001

PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

Date: 5 April 2013

To:
Pustaka Sri Ilmu
No 15 Blok G Bangunan Tun Sim Sum
17000 Sg. Buloh
Selangor

Your account will be debited as follows:

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Double A Paper A4 80 gsm undercharged	200	2.00	400.00
				400.00
			Less 5% trade discount	20.00
			Total	380.00

(Ringgit Malaysia: Three hundred eighty only)

Approved by
Rostam
Manager

00027844

Document 7

PAYMENT VOUCHER

No.: PV0001

PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

Date: 5 April 2013

To: Concept Maju Sdn Bhd

No.	Description	Amount (RM)	Signature
1.	Full payment for invoice 1800	15,000.00	Mansur

(Ringgit Malaysia: Fifteen thousand only)

Cash/Cheque: MBB10000

Approved by
Rostam
Manager

Document 8

CREDIT NOTE

No.: 0012

Wisdom Stationery Supplies
Bandar Baru Bangi
45000 Selangor Darul Ehsan

Date: 6 April 2013

To:
PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

Your account will be credited as follows:

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Faber- Castell 7085-20D Eraser	100	0.70	70.00
				70.00
			Less 10% trade discount	7.00
			Total	63.00

(Ringgit Malaysia: Sixty three only)

Approved by
Lily
Manager

INVOICE

No.: 0002

PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

Date: 8 April 2013

To:
Koperasi SM Si Deer
Batu 4 Jalan Pantai
71050 Port Dickson

No.	Description	Quantity	Price/unit	Amount (RM)
1.	HP36A Toner Cartridge	5	250.00	255.00
2.	Double A Paper A4 80 gsm	100	10.00	1,000.00
3.	Wisdom 403 Level Arch File	20	4.00	80.00
4.	UHU Happy Glue 50 ml	10	2.00	20.00
5.	Artline 500 Marker Pen	20	4.00	80.00
				1,435.00
			Less 5% trade discount	71.75
			Total	1,363.25

(Ringgit Malaysia: One thousand three hundred sixty three and twenty five cents only)

Approved by
Rostam
Manager

Document 9

CREDIT NOTE

No.: 0020

PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

Date: 14 April 2013

To:
Koperasi SM Si Deer
Batu 4 Jalan Pantai
71050 Port Dickson

Your account will be credited as follows:

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Double A Paper A4 80 gsm	20	10.00	200.00
				200.00
			Less 5% trade discount	10.00
			Total	190.00

(Ringgit Malaysia: One hundred ninety only)

Approved by
Rostam
Manager

Document 10

Document 11

OFFICIAL RECEIPT

No.: R001

PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

Date: 15 April 2013

Received from : Koperasi SM Deer
Ringgit : One thousand only
Payment for : Being settlement of part of the Invoice 0002

RM1,000.00
Cash/Cheque: BBMB12025

Approved by
Rostam
Manager

Document 12

CASH BILL

No: 3500

Cash Register Store
13 Jalan Idaman Bayu 1/1
71900 SEREMBAN

Date: 19 April 2013

To:
PY Stationery Trading

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Multi drawer cash register- Casio	1	800.00	800.00
Total				800.00

(Ringgit Malaysia: Eight hundred only)

Cash/Cheque:

Approved by
RNRA
Manager

Document 13

PAYMENT VOUCHER

No.: PV0002

PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

Date: 20 April 2013

To: Wisdom Stationery Supplies

No.	Description	Amount (RM)	Signature
1.	Partial payment for invoice 0250	8,500.00	<i>Lily</i>

(Ringgit Malaysia: Eight thousand five hundred only)

Cash/Cheque: BBMB10001

Approved by
Rostam
Manager

INVOICE

No.: 0003

PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

Date: 24 April 2013

To:
Safiya Ltd
Lorong 6A Kg Bahagia
71000 Rantau, Seremban

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Double A Paper A4 80 gsm	300	10.00	3,000.00
2.	HP36A Toner Cartridge	10	250.00	2,500.00
				5,500.00
			Less 5% trade discount	275.00
			Total	5,225.00

(Ringgit Malaysia: Five thousand two hundred twenty five only)

Approved by
Rostam
Manager

PAYMENT VOUCHER

No.: PV0003

PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

Date: 25 April 2013

To: Mr Azhar Rostani

No.	Description	Amount (RM)	Signature
1.	Payment for shop rent	2,500.00	Azhar

(Ringgit Malaysia: Two thousand five hundred only)

Cash/Cheque: BBMB10002

Approved by
Rostam
Manager

Document 16

CASH BILL

No.: 0222

LLL Electronics Ltd
Bandar Baru Salak Tinggi
47000 Selangor Darul Ehsan

Date: 27 April 2013

To:
PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

No.	Description	Quantity	Price/unit	Amount (RM)
1.	Verbatim CD-R	3	80.00	240.00
2.	Master Paq P&S White Envelope 4 ½ x 9 ¾	3	30.00	90.00
3.	Buncho Poster Color 12	10	12.00	120.00
4.	Max Cutter Blades	5	3.00	15.00
5.	Max Cutter L	20	8.00	160.00
				625.00
			Less 5% cash discount	31.25
			Total	593.75

(Ringgit Malaysia: Five hundred ninety three and seventy five cents only)

Cash/Cheque: BBMB10003

Approved by
Hhor
Manager

Document 17

MEMO

PY Stationery Trading
70100 Port Dickson
Negeri Sembilan

Date: 27 April 2013

Took toner & cartridge amounting RM 214.00 for personal use

Approved by
Rostam
Manager

Original

INVOICE

NANG HUAT BICYCLE
88, Jalan Pasar Seremban,
71000 SEREMBAN

To:
Mike Kobess Cycle House
40, Bangunan Papatih
71050 PORT DICKSON

3 January 2014

Quantity	Item	Price/Unit (RM)	Total (RM)
10	MTB 29er	1,000.00	10,000.00
5	Rode Bike	3,000.00	15,000.00
20	Folding Bike	700.00	14,000.00
Total			39,000.00

(Ringgit : Thirty nine thousand only)

E. & O.E.

Siri
Receiver

Mei Mei
Manager

Copy

INVOICE

Mike Kobess Cycle House
40, Bangunan Papatih
71050 PORT DICKSON

To:
RAP Houz
1314, Jalan Selayang
71050 Port Dickson

10 January 2014

Quantity	Item	Price/Unit (RM)	Total (RM)
3	MTB 29er	1,500.00	4,500.00
5	Folding Bike	1,100.00	5,500.00
			10,000.00
Less Trade Discount 5%			500.00
Total			9,500.00

(Ringgit : Nine thousand five hundred only)

E. & O.E.

Che in
Receiver

Siri
Manager

Document 5

Copy

INVOICE

Mike Kobess Cycle House
40, Bangunan Papatih
71050 PORT DICKSON

To:
Basikal Sarah
4-B, Taman Poli
71050 Port Dickson

11 January 2014

Quantity	Item	Price/Unit (RM)	Total (RM)
4	Road Bike	5,000.00	20,000.00
Less Trade Discount 5%			1,000.00
Total			19,000.00

(Ringgit : Nineteen thousand only)

E. & O.E.

Sarah
Receiver

Siri
Manager

Document 6

MEMO

Mike Kobess Cycle House
40, Bangunan Papatih
71050 PORT DICKSON

Reminder:

15 January 2014

Owner took RM1,000 cash for personal use.

Siri
Manager

Document 7

MEMO

Mike Kobess Cycle House
40, Bangunan Papatih
71050 PORT DICKSON

Reminder:

20 January 2014

Owner took MTB 29er worth RM1,000 for personal use.

Siri
Manager

Original

DEBIT NOTE

NANG HUAT BICYCLE
88, Jalan Pasar Seremban,
71000 SEREMBAN

To:
Mike Kobess Cycle House
40, Bangunan Papatih
71050 PORT DICKSON

20 January 2014

Quantity	Item	Price/Unit (RM)	Total (RM)
50	MTB 29er (bicycle tube)	10.00	500.00
50	Rode Bike (bicycle tube)	10.00	500.00
50	Folding Bike (bicycle tube)	8.00	400.00
Total			1,400.00

(Ringgit : One thousand four hundred only)

E. & O.E.

Siri
Receiver

Mei Mei
Manager

Copy

CASH BILL

Mike Kobess Cycle House
40, Bangunan Papatih
71050 PORT DICKSON

To:
En. Abang Misai
35, Rumah Rakyat
71050 Port Dickson

25 January 2014

Quantity	Item	Price/Unit (RM)	Total (RM)
10	MEB 29er (bicycle tube)	15.00	150.00
Total			150.00

(Ringgit : One hundred and fifty only)

Cash/Cheque:

Siri
Manager



Original

OFFICIAL RECEIPT

NANG HUAT BICYCLE
88, Jalan Pasar Seremban,
71000 SEREMBAN

26 January 2014

Received from : Mike Kobess Cycle House
Total : Thirty thousand only
Payment for : Partial Payment for invoice dated 3 January 2014

RM30,000.00
Cash/Cheque: 54326

Mei Mei
Manager

Copy

CASH BILL

Mike Kobess Cycle House
40, Bangunan Papatih
71050 PORT DICKSON

To:
Good Bicycle Trading
18, Taman Teknik
71050 Port Dickson

27 January 2014

Quantity	Item	Price/Unit (RM)	Total (RM)
5	Folding Bike	1,100.00	1,100.00
Total			1,100.00

(Ringgit : One thousand one hundred only)

Cash/Cheque: 545462

Siri
Manager

PAYMENT VOUCHER

Mike Kobess Cycle House
40, Bangunan Papatih
71050 PORT DICKSON

To:
Along
11, Taman Port Dickson Utama
71050 PORT DICKSON

Voucher Nos.:0001
30 January 2014

	Item	Total (RM)
1	Salary, January 2014	1,500.00
Total		1,500.00

(Ringgit : One thousand five hundred only)

Cash/Cheque:

Receiver
Along

Approved by:
Siri

Original

CREDIT NOTE

NANG HUAT BICYCLE
88, Jalan Pasar Seremban,
71000 SEREMBAN

To:
Mike Kobess Cycle House
40, Bangunan Papatih
71050 PORT DICKSON

31 January 2014

Quantity	Item	Price/Unit (RM)	Total (RM)
1	Folding Bike	700.00	700.00
Total			700.00

(Ringgit : Seven hundred only)

E. & O.E.

Siri
Receiver

Mei Mei
Manager

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 2012. During the month of May 2012, the following transactions were made:

Date		Transaction
May 2012	5	Deposited RM20,000 cash into the bank and RM1,000 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 by 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 7

On 1 April 2012, Ewanam Enterprise commenced business with the following assets:

Cash RM2,000
Bank RM30,000

During the month of April 2012, Ewanam Enterprise had the following transactions:

Date	Transaction	Amount (RM)
2012		
April 2	Sent invoice to Artak.Design for goods sold.	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 on goods sold for RM4,500 and 10% trade discount.	
27	Sold goods on credit to Ricxon.	7,900

You are required to prepare:
a) Sales Journal.
b) Returns Inwards Journal.

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

QUESTION 8

Paul, a sole proprietor started his business on 1 July 2012. The following were the transactions occurred in July 2012.

Date	Transaction
2012 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 for goods sold.
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 on credit.
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 RM745.
25	Sold goods on credit to Samy Vellu RM1,000.
29	Returned unsatisfactory goods to Sani RM810.

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 2012, Maven commenced business with the following assets and liabilities:

Cash	RM1,500
Bank	RM45,000
Land & Building	RM97,000
Loan	RM30,000

During the month of November 2012, Maven had the following transactions:

Date	Transaction	RM
2012 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 for goods sold.	9,450
17	Sent a debit note to Bee & Yee for invoice undercharged on 15 November.	700
20	Received an invoice from Jenny Rogers for goods purchased.	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 2012, Jasper as the owner of Inno Home Trading, selling electrical equipment with cash in hand RM4,000 & cash at bank RM50,000. The following were the transactions occurred in the month of July 2012.

Date	Transaction
2012	
July 2	Bought office equipment RM5,000 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 a cheque RM480 for paying owner's 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 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 goods sold.
21	Sent credit note to Huda Trading RM310 for goods returned.
23	Received an invoice from Azlin Enterprise RM3,700 for goods purchased.
25	Received commission by cash RM210.
26	Returned incorrect goods to Azlin Enterprise RM500.
28	Transferred cash in hand to bank RM300.
29	Paid salary by cheque RM1,800.
30	Withdrew cash RM1,000 for own use.

You are required to record the above transactions in the:

- a) Special Journal.
- 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 2012, Rohaya commenced business as a nursery operator and landscaping designer at Mantin. Her business transactions in April 2012 were as follows:

Date	Transaction
2012 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's 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 by 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:

- enter the transactions of April 2012 in the appropriate Books of First Entry.
- post the entries to relevant ledger accounts.

Cash: RM1,550

Office equipment: RM2,500

Fraser's Hill Pottery: RM3,250

Loan-HL Bank: RM20,000

Mal. Banking Bhd.: RM49,500

Miscellaneous expenses: RM250

Bank: RM4,550

Sales: RM5,100

Jab. Kerjasama: RM3,000

Returns outwards: RM250

Salaries: RM2,000

Land: RM20,000

Capital: RM15,000

Purchases: RM3,450

Drawings: RM550

Vehicles: RM55,000

Advertising: RM200

Discount allowed: RM50

QUESTION 12

Remy, a furniture distributor, had the following transactions in June 2012.

Month	Date	Transaction	RM
June	1	Commenced business with cash in hand RM3,000 and 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 by 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's account by cheque and 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 entries to relevant ledger accounts.

Cash: RM850	Bank: RM89,180	Capital: RM124,200
Stationery: RM180	Purchases: RM51,480	Rent: RM2,700
Sales: RM12,800	Off. Equipment: RM3,700	Laily Furniture: RM12,480
Dis. received: RM800	Discount allowed: RM1,020	Vehicle: RM50,000
Salary: RM1,000	Carriage outwards: RM1,220	Drawings: RM650
Returns outwards: RM2,700	Ally Azran: RM50,000	Commission: RM1,000

QUESTION 13

Subramaniam, the owner of Wajina Trading selling computers and accessories in Port Dickson, commenced business on 1 October 2012 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 2012:

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 laptops and paid by cheque.	7,900
	10	Subramaniam withdrew a wireless mouse for personal use.	170
	11	Received a 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 Subramaniam's 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:

- record the above transactions of October in the appropriate Books of First Entry.
- post the entries to relevant ledger accounts.

Capital: RM70,000

Loan: RM45,000

Drawings: RM570

Stationery: RM200

Van: RM12,000

Returns inwards: RM1,800

Bank: RM76,150

Purchases: RM26,230

Ret. outwards: RM2,500

Salary: RM2,000

Dynamic Enterprise.: RM2,400

General expenses: RM700

Furniture: RM16,000

Eco Furniture: RM6,000

Sales: RM14,300

Dis. Received: RM1,000

Interest on Loan: RM750

QUESTION 14

On 1 September 2012, 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 building	60,000
Debtors – Tam	5,800
Don	2,400
Creditors – Wani	5,200
Rose	7,600

During the month of September 2012, Green Family Supermarket had the following transactions:

Date	Transaction	RM
2012		
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 a 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 by cheque.	3,400
16	Received an 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 an invoice to Tam for goods sold.	4,260
23	Cash sales and banked in the amount on the same day.	3,900
28	Received an invoice from Chan Furniture for cabinets bought.	3,500
29	Sent a credit note to Tam for goods damaged in transit.	390
30	Sent an 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 2012:

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

The transactions for the month of January 2012 are as follows:

Date	Transaction
2012	
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 RM20,000 for goods sold.
11	Ma & Ma issued a credit note RM500 for goods returned.
15	Sold goods on credit to Ahmad for price listed at 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 price listed at 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 2012 from Lee Perfume Enterprise RM17,800.
25	Commission received RM450 by cheque.
26	Received a cheque from Karim, being full settlement of the amount owing after allowing him a cash discount of 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:
- a) record the above transactions in journals (including Cash Book).
 - b) 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 a 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 / Accounts receivable			
Creditors / Accounts payable			
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 / revenue			
Wages and salaries			
Interest received / revenue			
Rent paid			
Discount received / revenue			
Travelling expense			
Discount allowed			
Advertisement expense			
Utilities			
Insurance paid			
Printing and stationery			
Interest paid			
Stock / Inventory			

QUESTION 2

The following accounts are taken from the books of Excellent Trading on 31 January 2012.

Debit				Cash Book				Credit	
DATE	PARTICULAR	CASH (RM)	BANK (RM)	DATE	PARTICULAR	CASH (RM)	BANK (RM)		
2012				2012					
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 expense a/c	1,200			
10	Sales a/c		7,300	25	Salaries a/c		4,800		
29	Sales a/c	1,650		26	Kencana	1,600			
				28	Sufiah		4,300		

LEDGERS

Debit			Madina			Credit	
DATE	PARTICULAR	AMOUNT (RM)	DATE	PARTICULAR	AMOUNT (RM)		
2012			2012				
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)		
2012			2012				
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)		
2012			2012				
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)		
2012			2012				
Jan 28	Bank a/c	4,300	Jan 1	Balance b/d	8,800		

Debit			Purchases a/c			Credit
DATE	PARTICULAR	AMOUNT (RM)	DATE	PARTICULAR	AMOUNT (RM)	
2012						
Jan 9	Bank a/c	5,600				
18	Cash a/c	2,200				

Debit			Travelling expense a/c			Credit
DATE	PARTICULAR	AMOUNT (RM)	DATE	PARTICULAR	AMOUNT (RM)	
2012						
Jan 23	Cash a/c	1,200				

Debit			Salaries a/c			Credit
DATE	PARTICULAR	AMOUNT (RM)	DATE	PARTICULAR	AMOUNT (RM)	
2012						
Jan 25	Bank a/c	4,800				

Debit			Sales a/c			Credit
DATE	PARTICULAR	AMOUNT (RM)	DATE	PARTICULAR	AMOUNT (RM)	
			2012			
			Jan 10	Bank a/c	7,300	
			29	Cash a/c	1,650	

Debit			Capital a/c			Credit
DATE	PARTICULAR	AMOUNT (RM)	DATE	PARTICULAR	AMOUNT (RM)	
			2012			
			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 2012.

(Trial Balance: RM37,450)

QUESTION 3

Lina Trading sells sports equipment. The following are the business transactions of Lina Trading in September 2012.

Date	Transaction	RM
2012 September 1	Cash	1,000
	Bank	34,000
	Stock	10,000
	Machinery	50,000
	Furniture	6,000
	Debtors - Alia	5,000
	- Karmila	12,500
	Loan	50,000
	Creditor - 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 a 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 2012.

(Trial Balance: RM130,750)

QUESTION 4

Below are the business transactions of Selvam Hardware for the month of January, 2012:

Date	Transaction	RM
2012 Jan. 1	Selvam commenced business with: Bank Cash	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 2012.	450
10	Purchased goods on credit from Najmi.	24,000
11	Returned damaged goods to Najmi.	600
14	Paid advertising expense with cheque.	1,500
15	Bought stationery by cash.	300
17	Drew cash for paying personal insurance.	2,400
20	Cash sales.	9,600
21	Received a cheque from Gina.	2,550
23	Paid Vince Trading 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. Paid water and electricity bills with cash. Paid office rental with cash.	6,000 1,200 1,500

- You are required to:
- a) record the above transactions of January 2012 in the appropriate books of first entry.
 - b) post the entries to relevant ledger accounts.
 - c) prepare the Trial Balance of Selvam Hardware as at 31 January 2012.

(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 2012

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 (1/1/2012)		550
Advertising	1,620	
Cash	820	
Closing stock (31/12/2012)	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 (31/12/2012) 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 2012

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	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 2012.

MESRA TRADING
Trial Balance as at 30 June 2012

Name of account	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 2012.

AMIN TRADING
Trial Balance as at 31 March 2012

Name of account	Debit (RM)	Credit (RM)
Capital		140,000
Drawings	32,500	
Stock (1 April 2011)	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 revenue	1,300	
Stock (31 March 2012)		187,920
Purchases	129,700	
Accounts receivable	40,000	
Accounts payable		30,000
Goodwill	17,300	
Advertisement expense	9,540	
Discount received		12,000
Bad debts	4,000	
Furniture	5,000	
Discount allowed		3,300
Commission revenue		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. 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 2012.

ALIA TRADING
Trial Balance as at 30 April 2012

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 expense	924	
Water and electricity	660	
Returns inwards		2,780
Discount allowed	1,700	
Accounts payable		12,763
Commission revenue		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	
Vehicles	61,000	
Customs duties		740
Mortgage on land		80,000
Inventory on 1 May 2011	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 2012	1,490	
Fixed deposit	50,495	
Carriage inwards		450
Repairs and maintenance	800	
Depreciation expense - Motor vehicle		5,050
	386,246	396,346

(Trial Balance: RM390,551)

QUESTION 10

From the following list of ledger balances extracted from the books of Cinta Enterprise on 30 June 2012, you are required to prepare the Trial Balance of Cinta Enterprise as at 30 June 2012.

Name of account	RM
Capital	80,000
Cash	1,000
Furniture	20,000
Bank Overdraft	15,000
Accounts receivable	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 expense	2,000
Water and electricity	2,000
Accounts payable	30,000
Rent revenue	10,000

(Trial Balance: RM180,000)

QUESTION 11

The following balances are taken from the accounting books of Sayang Enterprise on 31 July 2012:

Name of account	RM	Name of account	RM
Opening stock	9,600	Accounts receivable	23,800
Capital	100,000	Accounts payable	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	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 2012.

(Trial Balance: RM436,100)

QUESTION 12

The following is a list of balances extracted from the books of BEST Enterprise on 31 July 2012.

Name of account	RM
Capital	59,330
Drawings	2,130
Petrol expense	1,300
Stationery	213
Cash	1,290
Bank	16,770
Purchases	50,270
Sales	80,750
Opening inventory	5,260
Water and electricity	1,560
Salaries	3,140
Dividend revenue	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 revenue	8,000

You are required to prepare the Trial Balance of BEST Enterprise as at 31 July 2012.

(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 2012.

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 revenue	4,000
Salaries	5,200
Advertising	1,750
Office insurance	2,450
Machinery maintenance	1,200
Rent revenue	4,800
Miscellaneous expenses	1,200
Drawings	1,800
Accounts receivable	8,500
Interest revenue	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 14

Below are the account balances from the books of Ho Trading on 30 April 2012. You are requested to prepare the Trial Balance of Ho Trading as at 30 April 2012.

Name of account	RM
Cash	1,121
Bank	23,784
Purchases	245,500
Capital	100,000
Maintenance and petrol	2,000
Rent revenue	12,000
Fixed Deposit at Public Bank	50,000
Office equipment	8,800
Accounts receivable	36,825
Accounts payable	29,030
Loan from SME Bank	56,000
Insurance paid	1,500
Salaries and wages	23,200
Interest on loan	4,320
Carriage inwards	4,552
Carriage outwards	2,307
Drawings	5,000
Interest on fixed deposit	3,100
Water and electricity	1,520
Building	98,800
Returns outwards	2,650
Returns inwards	2,400
Duties on purchases	3,270
Preliminary expenses	5,876
Discount allowed	7,365
Sales	315,884
Discount revenue	9,476

(Trial Balance: RM528,140)

QUESTION 15

The following is a list of Quick Times Trading account balances that are presented on 31 March 2012. You are requested to prepare the Trial Balance of Quick Times Trading as at 31 March 2012.

Name of account	RM
Sales	298,700
Tax expense	1,700
Purchases	201,300
Bonds	50,000
Travelling expense	2,100
Accounts receivable	29,870
Rent revenue	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 revenue - Unit Trust	800
Drawings	2,000
Capital	61,500
Cash	1,100
Bank	15,000
Salesman commission	3,500
Salaries and wages	18,000
Miscellaneous expenses	1,300
Inventory on 1 April 2011	3,000
Sales returns	800
Freehold premises	35,000
Discount revenue	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 2012:

AHMAD
Trial Balance as at 31 December 2012

	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 revenue		561
Interest paid	387	
Stock at 1 January 2012	8,500	
Carriage inwards	650	
Carriage outwards	1,600	
Debtors	15,000	
Creditors		27,000
Commission revenue		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 2012 was valued at RM13,500.

You are required to prepare:

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

Gross Profit: RM33,440

Net Profit: RM16,510

Statement of Financial Position: RM94,050

QUESTION 2

Sung is a retailer. The following is the Trial Balance extracted from the books of Sung on 31 December 2012.

SUNG
Trial Balance as at 31 December 2012

	Debit (RM)	Credit (RM)
Stock at 1 January 2012	4,500	
Purchases	12,389	
Sales		25,950
Returns inwards	62	
Returns outwards		300
Salaries	3,000	
Wages on purchases	800	
Rent revenue		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
Bank	9,275	
Cash	162	
Drawings	1,200	
Capital		71,036
Interest revenue		640
Commission revenue		1,000
Commission paid	548	
Loan		31,200
	137,208	137,208

The stock on 31 December 2012 was valued at RM9,700.

You are required to prepare:

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

Gross Profit: RM17,831

Net Profit: RM14,297

Statement of Financial Position: RM121,183

QUESTION 3

Mohammad Shafie runs a small grocery shop. The following balances were extracted from his books on 31 December 2012.

	RM
Capital, 1 January 2012	60,000
Opening inventory	3,363
Bank	9,487
Accounts payable	7,450
Accounts receivable	10,500
Cash	896
Drawings	200
Office equipment	4,500
Insurance	180
Commission revenue	730
Interest revenue	430
Transportation in	160
Transportation out	200
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 revenue	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 inventory on 31 December 2012 was valued at RM9,850

You are required to prepare:

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

Gross Profit: RM27,275

Net Profit: RM21,645

Statement of Financial Position: RM124,895



QUESTION 4

You are given the following Trial Balance of Lee Home Furniture as at 31 March 2012.

LEE HOME FURNITURE
Trial Balance as at 31 March 2012

	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 revenue		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	
Accounts receivable	16,468	
Accounts payable		9,560
Commission revenue		620
Cash	500	
Bank		2,300
Carriage on purchases	430	
Carriage on sales	200	
Capital, 1 April 2011		88,920
Bad debts	770	
	162,938	162,938

The closing inventory on 31 March 2012 was valued at RM7,200.

You are required to prepare:

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

Gross Profit: RM9,070

Net Profit: RM4,388

Statement of Financial Position: 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 2012.

S. VELLU
Trial Balance as at 31 December 2012

	Debit (RM)	Credit (RM)
Capital, 1 January 2012		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 revenue		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 2012 was valued at RM9,258.

You are required to prepare:

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

Gross Profit: RM16,906

Net Loss: RM3,736

Statement of Financial Position: RM120,373

QUESTION 6

Vivien Ong is the owner of GOOD MART. On 30 June 2012, the end of her financial year, the following balances have been extracted from her books:

GOOD MART
Trial Balance as at 30 June 2012

	Debit (RM)	Credit (RM)
Inventory at 1 July 2011	4,786	
Bad debts	710	
Capital		89,958
Carriage inwards	500	
Carriage outwards	620	
Bank	4,351	
Cash	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 inventory on 30 June 2012 was valued at RM9,050.

You are required to prepare:

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

Gross Loss: RM8,530

Net Loss: RM15,063

Statement of Financial Position: RM136,265

QUESTION 7

Rohayuddin owns a small grocery store. The following Trial Balance was drawn up for Rohayuddin on 31 December 2012.

ROHAYUDDIN
Trial Balance as at 31 December 2012

	Debit (RM)	Credit (RM)
Inventory at 1 Jan 2012	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	
Accounts receivable and Accounts payable	11,565	8,532
Commission	854	498
Cash	369	
Bank	5,423	
Freight out	330	
Freight in	267	
Stationery	288	
Bad debts	1,230	
	227,495	227,495

The inventory on 31 December 2012 was RM6,555 at cost price and RM7,900 at the market price.

You are required to prepare:

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

Gross Profit: RM3,778

Net Loss: RM7,403

Statement of Financial Position: RM186,319

QUESTION 6

Vivien Ong is the owner of GOOD MART. On 30 June 2012, the end of her financial year, the following balances have been extracted from her books:

GOOD MART
Trial Balance as at 30 June 2012

	Debit (RM)	Credit (RM)
Inventory at 1 July 2011	4,786	
Bad debts	710	
Capital		89,958
Carriage inwards	500	
Carriage outwards	620	
Bank	4,351	
Cash	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 inventory on 30 June 2012 was valued at RM9,050.

You are required to prepare:

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

Gross Loss: RM8,530

Net Loss: RM15,063

Statement of Financial Position: RM136,265

QUESTION 6

Vivien Ong is the owner of GOOD MART. On 30 June 2012, the end of her financial year, the following balances have been extracted from her books:

GOOD MART
Trial Balance as at 30 June 2012

	Debit (RM)	Credit (RM)
Inventory at 1 July 2011	4,786	
Bad debts	710	
Capital		89,958
Carriage inwards	500	
Carriage outwards	620	
Bank	4,351	
Cash	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 inventory on 30 June 2012 was valued at RM9,050.

You are required to prepare:

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

Gross Loss: RM8,530

Net Loss: RM15,063

Statement of Financial Position: RM136,265

QUESTION 7

Rohayuddin owns a small grocery store. The following Trial Balance was drawn up for Rohayuddin on 31 December 2012.

ROHAYUDDIN
Trial Balance as at 31 December 2012

	Debit (RM)	Credit (RM)
Inventory at 1 Jan 2012	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	
Accounts receivable and Accounts payable	11,565	8,532
Commission	854	498
Cash	369	
Bank	5,423	
Freight out	330	
Freight in	267	
Stationery	288	
Bad debts	1,230	
	227,495	227,495

The inventory on 31 December 2012 was RM6,555 at cost price and RM7,900 at the market price.

You are required to prepare:

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

Gross Profit: RM3,778

Net Loss: RM7,403

Statement of Financial Position: RM186,319

QUESTION 8

The Trial Balance of Wan Mohtar, a computer wholesaler on 31 December 2012 showed:

WAN MOHTAR
Trial Balance as at 31 December 2012

	Debit (RM)	Credit (RM)
Capital		100,000
Stock at 1 January 2012	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 2012 was valued at RM9,320.

You are required to prepare:

- a) Statement of Comprehensive Income for the year ended 31 December 2012.
- b) Statement of Financial Position as at 31 December 2012.

Gross Profit: RM8,771
Net Loss: RM8,878
Statement of Financial Position: 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 2012, the end of his most recent financial year.

YUSOFF
Trial Balance as at 30 September 2012

	Debit (RM)	Credit (RM)
Capital		200,000
Stock at 1 October 2011	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	
Advertising expenses	2,081	
Website maintenance expenses	2,267	
	374,750	374,750

Additional information:

1. Stock in hand on 30 September 2012 has been valued at cost RM12,300.

You are required to prepare:

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

Gross Profit: RM40,485

Net Profit: RM14,964

Statement of Financial Position: RM307,400

QUESTION 10

Sharifah, a sole trader, extracted the following Trial Balance from her books at the close of business on 31 December 2012:

SHARIFAH
Trial Balance as at 31 December 2012

	Debit (RM)	Credit (RM)
Capital at 1 January 2012		250,000
Rates	1,460	
Motor vans	62,000	
Inventory at 1 January 2012	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
Accounts receivable and Accounts payable	61,230	47,890
Commission	3,115	1,784
Advertising expense	2,378	
Discount	1,920	955
Insurance	1,543	
Wages on purchases	871	
Fixtures and fittings	3,760	
Office expense	2,930	
Bank	17,690	
Investment	72,000	
Cash	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. Inventory on 31 December 2012 has been valued at cost RM13,700.

You are required to prepare:

- a) Statement of Comprehensive Income for the year ended 31 December 2012.
b) Statement of Financial Position as at 31 December 2012.

Gross Profit: RM32,143

Net Loss: RM1,154

Statement of Financial Position: RM332,640

QUESTION 11

The following Trial Balance was taken from the ledger of M. T. Wong, a wholesaler on 31 December 2012.

M.T. WONG
Trial Balance as at 31 December 2012

	Debit (RM)	Credit (RM)
Warehouse (land and building)	89,000	
Office equipment	23,100	
Stock at 1 January 2012	9,245	
Capital at 1 January 2012		230,900
Light and heat	2,467	
Withdrawals	932	
Purchases and sales	34,892	87,520
Returns	981	677
Accounts receivable and Accounts payable	58,338	34,533
Motor vehicles, at cost	64,300	
Stationery	1,008	
Miscellaneous expenses	2,354	
Discount	1,038	976
Marketing expense	4,896	
Commission	1,248	1,045
Rates	4,483	
Rent revenue		2,349
Bank loan		46,000
Import duties	915	
Insurance	3,110	
Wages and salaries	10,550	
Bad debts recovered		2,000
Motor vehicles expense	4,100	
Carriage on purchases	2,159	
Carriage on sales	2,984	
Investment	70,000	
Interest	1,500	2,500
Bank	12,800	
Cash	2,100	
	408,500	408,500

Additional information:

1. Stock in hand on 31 December 2012 was RM11,700 at cost price and RM10,300 at the market price.

You are required to prepare:

- a) Statement of Comprehensive Income for the year ended 31 December 2012.
- b) Statement of Financial Position as at 31 December 2012.

Gross Profit: RM50,305

Net Profit : RM19,437

Statement of Financial Position: RM329,938

QUESTION 12

The following is the Trial Balance extracted from the books of Abd Rahman, a grocery store owner on 30 June 2012.

ABD RAHMAN
Trial Balance as at 30 June 2012

	Debit (RM)	Credit (RM)
Opening inventory	7,890	
Capital, 1 July 2011		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 expense	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
Accounts receivable and Accounts payable	25,600	19,850
	379,569	379,569

Additional information:

1. Inventory on 30 June 2012 has been valued at cost RM9,800.

You are required to prepare:

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

Gross Profit: RM37,318

Net Profit: RM2,140

Statement of Financial Position: RM285,490

QUESTION 13

The following Trial Balance was extracted from the books of A. Abdullah , a small businessman based in Port Dickson on 31 December 2012.

A. ABDULLAH
Trial Balance as at 31 December 2012

	Debit (RM)	Credit (RM)
Capital, 1 January 2012		80,000
Inventory, 1 January 2012	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	
Accounts receivable and Accounts payable	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	
Bank	9,650	
Cash	600	
Drawings	310	
Bad debts recovered		1,540
Advertising expense	1,700	
Discount	1,220	781
Printing and stationery	935	
Loan		35,000
Patent	20,000	
	194,277	194,277

Additional information:

1. Inventory on 31 December 2012 has been valued at cost RM7,590.

You are required to prepare:

- a) Statement of Comprehensive Income for the year ended 31 December 2012.
- b) Statement of Financial Position as at 31 December 2012.

Gross Profit: RM21,612

Net Profit: RM3,980

Statement of Financial Position: RM140,650

QUESTION 14

The following Trial Balance was taken from the books of M. Nasser, a wholesaler on 31 March 2012.

M. NASSER
Trial Balance as at 31 March 2012

	Debit (RM)	Credit (RM)
M. Nasser, Capital Account		149,000
Bank		10,595
Cash	1,400	
General expenses	4,320	
Inventory, 1 April 2011	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	
Accounts receivable and Accounts payable	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:

- Inventory on 31 March 2012 was RM10,360 at cost price and RM14,710 at the market price.

You are required to prepare:

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

Gross Profit: RM21,728

Net Profit : RM2,775

Statement of Financial Position: RM256,010

QUESTION 15

Lim is a retail trader. The following Trial Balance was extracted from his books on 31 December 2012.

LIM
Trial Balance as at 31 December 2012

	Debit (RM)	Credit (RM)
Fixed deposit	60,000	
Long-term loan		60,000
Opening inventory	4,466	
Capital, 1 January 2012		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	
Bank	4,570	
Cash	900	
Carriage on purchases	468	
Carriage on sales	1,043	
Furniture	9,400	
Interest	2,750	2,250
Accounts receivable and Accounts payable	44,630	29,760
Drawings	1,480	
Maintenance expense	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. Inventory on 31 December 2012 has been valued at cost RM7,360.

You are required to prepare:

- a. Statement of Comprehensive Income for the year ended 31 December 2012.
- b. Statement of Financial Position as at 31 December 2012.

Gross Profit: RM41,845

Net Profit: RM13,670

Statement of Financial Position: RM256,950

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 2012

	Debit (RM)	Credit (RM)
Opening Capital, 1 January 2012		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 revenue		870
Interest paid	3,500	
Opening stock	7,900	
Carriage inwards	400	
Carriage outwards	700	
Debtors	59,891	
Creditors		45,000
Commission revenue		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 2012 was RM5,000 at market price and RM4,900 at cost.
- Salaries accrued RM750.
- Commission revenue accrued RM300.
- Rent and rates paid in advance RM1,000.
- Interest revenue in advance RM70.

You are required to prepare:

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

Gross Profit: RM43,851

Net Profit: RM30,691

Statement of Financial Position: RM194,011

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 expense	2,300	
Interest on investment		4,600
Wages	1,870	
Fixtures and Fittings	38,034	
Freight inwards	1,687	
Freight 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:

- Closing stock on 31 March 2012 at market value was RM35,000 and RM34,900 at cost.
- There was an accrual of RM300 for office expense.
- RM375 of the commission expense were prepaid.
- Rent revenue in advance RM1,000.
- Interest on investment of RM400 was accrued.
- Salaries owing RM1,000.

You are required to prepare:

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

Gross Profit: RM51,783

Net Profit: RM23,559

Statement of Financial Position: RM542,109

QUESTION 3

The following is the Trial Balance of Delaila Enterprise as at 31 December 2012.

DELAILA ENTERPRISE
Trial Balance as at 31 December 2012

	Debit (RM)	Credit (RM)
Capital, 1 January 2012		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 revenue		870
Interest paid	350	
Opening inventory	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	
Discount allowed	450	
Discount received		370
	199,545	199,545

Additional information:

- Closing inventory on 31 December 2012 at market value was RM5,000 and RM4,900 at cost.
- Salaries of RM1,000 were outstanding.
- Commission received RM300 was accrued.
- There was a prepayment of RM1,000 for Rent and rates.
- Unearned interest revenue RM70.

You are required to prepare:

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

Gross Profit: RM49,150

Net Profit: RM38,550

Statement of Financial Position: RM98,200

QUESTION 4

Zakri is the owner of Excellent Sport Equipment Store. He supplies you with the following Trial Balance extracted from his ledger as at 30 June 2012.

EXCELLENT SPORT EQUIPMENT STORE
Trial Balance as at 30 June 2012

	Debit (RM)	Credit (RM)
Opening stock, 1 July 2011	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
Accounts receivable and Accounts payable	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 expense	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 was 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:

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

Gross Profit: RM39,751

Net Profit: RM28,354

Statement of Financial Position: RM323,104

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.

PADELI STORE
Trial Balance as at 30 June 2012

	Debit (RM)	Credit (RM)
Capital		253,700
Opening inventory, 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 inventory 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:

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

Gross Profit: RM43,900

Net Profit: RM6,780

Statement of Financial Position: RM465,900

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	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	
Accounts receivable and Accounts payable	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:

- Closing inventory on 30 September 2012 was RM18,000 at cost price and RM17,000 at market price.
- Commission revenue amounting to RM300 is in arrears.
- Bad debts RM1,500 to be written off.
- RM2,000 had been prepaid at the end of the year relating to Insurance.
- 1/4 of the total maintenance expenses is for personal use.
- A provision for doubtful debts is to be created of 5% on Accounts receivable.

You are required to prepare:

- Statement of Comprehensive Income for the year ended 30 September 2012
- Statement of Financial Position as at 30 September 2012

Gross Profit: RM31,643

Net Loss: RM22,095

Statement of Financial Position: RM525,205

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:

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

You are required to prepare:

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

Gross Profit: RM40,567
Net Profit: RM17,010
Statement of Financial Position: RM403,690

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 2012

	Debit (RM)	Credit (RM)
Capital		170,000
Opening inventory, 1 January 2012	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	
Frieght outwards	1,400	
Rental	4,000	3,000
Printing and stationery	700	
Cash	2,000	
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 inventory on 30 December 2012 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 debts is to be made at 2% on Accounts receivable.
- Interest revenue amounting to RM500 is in arrears.
- Unearned rent revenue was RM930.
- Insurance premiums RM600 were prepaid.

You are required to prepare:

- Statement of Comprehensive Income for the year ended 31 December 2012
- Statement of Financial Position as at 31 December 2012

Gross Profit: RM3,300

Net Loss: RM21,880

Statement of Financial Position: RM276,350

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:

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

You are required to prepare:

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

Gross Profit: RM93,720

Net Profit: RM58,300

Statement of Financial Position: RM378,000

QUESTION 10

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

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 inventory	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	
Allowance 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.

- Closing inventory was valued at RM8,000.
- There is an accrual of RM150 for Telephone and postage and RM1,200 of the Salaries were prepaid.
- Depreciation is to be charged as follows:

Motor vehicles	10% per annum on cost
Office equipment	10% per annum on book value
- The allowance for doubtful debts is to be increased to RM1,100.
- Unearned commission revenue was RM500.
- Huda, the owner had taken cash of RM200 from the office for her own use.

You are required to prepare:

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

Gross Profit: RM31,200

Net Profit: RM10,995

Statement of Financial Position: RM224,445

QUESTION 11

The following is the Trial Balance for Mock Enterprises as at 31 December 2012.

MOCK ENTERPRISE
Trial Balance as at 31 December 2012

	Debit (RM)	Credit (RM)
Opening inventory, 1 January 2012	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	
Bank	55,000	
Cash	3,500	
Stationery	800	
Discount	1,150	
Carriage inwards	1,400	
Carriage outwards	2,770	
Insurance	3,600	
Salaries	25,000	
Loan, 1 July 2012		80,000
Withdrawals	1,520	
Interest on loan	800	
Sundry expenses	1,300	
Bad debts recovered		3,000
Accounts receivable and Accounts payable	67,500	35,184
Allowance for doubtful debts		1,850
Provision for depreciation:		
Fixtures and fittings		7,500
Motor vehicles		12,800
	538,694	538,694

Additional information:

- a) Closing inventory on 31 December 2012 was valued at RM8,000.
- b) Sundry expenses for the year is RM1,000.
- c) Fixtures and fittings are to be depreciated by 5% per annum on cost.
- d) Motor vehicles are to be depreciated by 10% per annum using the reducing balance method.
- e) An additional RM500 is to be written off as bad debts.
- f) Allowance for doubtful debts is to be made at 3% on Accounts receivable.
- g) Rent revenue is RM300 per month.
- h) Interest on Loan is paid at a rate of 10% per annum.

You are required to prepare:

- a) Statement of Comprehensive Income for the year ended 31 December 2012
- b) Statement of Financial Position as at 31 December 2012

Gross Profit: RM74,516
Net Profit: RM24,306
Statement of Financial Position: RM381,870

QUESTION 12

Samad is the proprietor of Kita Sama Enterprise. At the end of the financial year, on 30 September 2012, the balances were extracted from his ledgers and have been entered onto a Trial Balance, as shown below:

KITA SAMA ENTERPRISE
Trial Balance as at 30 September 2012

	Debit (RM)	Credit (RM)
Purchases and Sales	88,500	190,000
Returns	2,760	2,082
Opening Inventory, 1 October 2011	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	
Allowance for doubtful debts		2,350
Utility bills	1,346	
Drawings	1,550	
Accounts receivable and Accounts payable	97,650	66,700
Commission	700	2,400
Cash	1,600	
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 2012:

- Closing inventory was valued at RM11,000 as at 30 September 2012.
- 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 was RM500.
- Rent expense of RM200 is to be accrued.
- Insurance include RM1000 paid on 30 September 2012 for insurance to be made on 1 December 2012.
- Rent revenue accrued is RM650.
- Allowance for doubtful debts is to be adjusted to a figure representing 2% on Accounts receivable.
- A credit note received from a supplier RM250 for goods returned has not been recorded yet.

You are required to prepare:

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

Gross Profit: RM89,279

Net Profit: RM22,230

Statement of Financial Position: RM547,830

QUESTION 13

Mokhtar Padeli runs a mini market in Malacca. The following is the Trial Balance of the business as at 30 September 2012.

MOKHTAR PADELI
Trial Balance as at 30 September 2012

	Debit (RM)	Credit (RM)
Capital		251,000
Opening inventory, 1 April 2012	8,375	
Delivery vehicles	87,000	
Investment, 1 April 2012	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 2012		100,000
Fixtures and fittings	7,000	
Interest on loan	1,890	
Insurance on purchases	665	
Insurance	3,000	
Interest on investment		2,000
Accounts receivable	54,800	
Accounts payable		33,446
Import duties	600	
Printing expense	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 2012.

- Closing inventory on 30 September 2012 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 is RM100.
- Printing expenses paid in advance amounted to RM150.
- Rent revenue is for 6 months to 31 December 2012.
- 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:

- Statement of Comprehensive Income for half year ended 30 September 2012.
- Statement of Financial Position as at 30 September 2012.

Gross Profit: RM40,675

Net Profit: RM274

Statement of Financial Position: RM394,520

QUESTION 14

The Trial Balance shown below was extracted from the books of Flying Enterprise on 31 December 2012.

FLYING ENTERPRISE
Trial Balance as at 31 December 2012

	Debit (RM)	Credit (RM)
Opening inventory, 1 July 2012	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 expense	2,400	
Commission	1,200	1,700
Motor vehicles	78,000	
Rent	700	1,200
Publicity expense	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	
Accounts receivable and Accounts payable	87,100	45,900
Allowance for doubtful debts		669
	523,060	523,060

The following adjustments need to be made for the year ended 31 December 2012.

- Closing inventory was valued at RM25,300.
- General administrative expense owing is 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 allowance for doubtful debts is to be adjusted to 2% on Accounts receivable.
- Unearned rent revenue was RM200.
- The loan commenced on 1 July 2012 with a fixed interest rate of 10% per annum.
- Stationery RM120 was paid by cheque on 30 December 2012. This transaction was omitted from the accounting records.
- Returns Inwards RM110 had been recorded as Carriage Inwards.

You are required to prepare:

- Statement of Comprehensive Income for half year ended 31 December 2012.
- Statement of Financial Position as at 31 December 2012.

Gross Profit: RM63,481

Net Profit: RM13,027

Statement of Financial Position: RM402,127

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	
Accounts receivable and Accounts payable	135,300	78,500
Light and heat	1,470	
Commission	2,500	3,500
Rent and rates	10,450	
Motor vehicles	120,000	
Salaries	34,000	
Bad debts	4,230	
Allowance 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 expense of RM900 are 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 Allowance for doubtful debts is to be adjusted to 2% on Accounts receivable.
- No entry has been made in the books for advertising expense 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:

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

Gross Profit: RM58,550

Net Loss: RM10,386

Statement of Financial Position: RM332,864

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 Day Book
 - B. Purchases Day Book
 - C. Sales Returns Day Book
 - D. Purchases Returns Day 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 **NOT** part of the double entry system?
- Trial Balance
 - Trading Account
 - Profit and Loss Account
 - Statement of Financial Position
- 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 2012:
- | | |
|------------------------------------|----------|
| Opening inventory on 1 April 2011 | RM5,000 |
| Closing inventory on 31 March 2012 | RM10,000 |
| Purchases | RM90,000 |
| Purchases returns | RM2,000 |
- What is the cost of goods sold on 31 March 2012?
- 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
 A. asset
 B. liability
 C. income
 D. expense
32. How to create Allowance for Doubtful Debts?
 A. debit Allowance for Doubtful Debts; credit Bad Debts
 B. debit Bad Debts; credit Allowance for Doubtful Debts
 C. debit Profit and Loss Account; credit Allowance for Doubtful Debts
 D. debit Allowance 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?
 A. Gross Profit and Bank increase
 B. Net Profit and Bank increase
 C. Gross Profit and debtors' balances decrease
 D. 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 _____.
 A. RM400; RM400
 B. RM400; RM2,200
 C. RM2,200; RM4,00
 D. RM2,200; RM2,200
35. Depreciation is an expense. It is provided because
 A. it is the amount of money spent in buying assets
 B. all non-current assets tend to lose value over time
 C. it is the amount of money spent in changing assets
 D. 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
 A. fixed asset in the Statement of Financial Position
 B. current asset in the Statement of Financial Position
 C. debit balance brought down in the interest account
 D. credit balance brought down in the interest account
38. Unearned Revenue is a/an
 A. accrued revenue
 B. prepaid revenue
 C. accrued expense
 D. prepaid expense
39. Dinesh is the owner of a mini market. Which of the following are classified as Capital Expenditure?
 i. Rent paid
 ii. Van maintenance
 iii. Delivery van bought
 iv. Computer bought
 A. i & ii
 B. i & iii
 C. ii & iii
 D. iii & iv
40. Which of the following assets is an intangible asset?
 A. Land
 B. Patent
 C. Furniture
 D. Office equipment
41. The statement which shows a summary of assets, liabilities, and the owner's equity as of a specific date is called
 A. Statement of Cash Flows
 B. Statement of Owner's Equity
 C. Statement of Financial Position
 D. Statement of Comprehensive Income
42. In which section of its Balance Sheet that a credit balance on a firm's Rent Paid Account is shown?
 A. Current Assets
 B. Current Liabilities
 C. Non-current Assets
 D. Non-current Liabilities
43. Working capital is also known as
 A. opening capital.
 B. closing capital.
 C. net current assets.
 D. net current liabilities.
44. Which of the following transactions appear in the Sales Ledger Control Account?
 i. payments by debtors
 ii. interest imposed on debtors
 iii. goods returned by debtors
 iv. bad debts recovered
 A. i & ii
 B. ii & iv
 C. i, ii & iii
 D. ii, iii & iv
45. What does the term 'Unpresented Cheque' mean? It means
 A. a dishonoured cheque returned by the bank
 B. a cheque which has not been processed by the bank
 C. a cheque which has not been received by the supplier
 D. a cheque returned by the bank with a 'stop payment' notice

Answers:

- | | | | | | | | | | | | | | | |
|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1. A | 4. A | 7. A | 10. C | 13. D | 16. A | 19. C | 22. D | 25. D | 28. A | 31. D | 34. B | 37. D | 40. B | 43. C |
| 2. A | 5. A | 8. C | 11. B | 14. C | 17. B | 20. D | 23. D | 26. B | 29. A | 32. C | 35. D | 38. B | 41. C | 44. C |
| 3. B | 6. A | 9. B | 12. A | 15. C | 18. D | 21. D | 24. C | 27. A | 30. D | 33. B | 36. A | 39. D | 42. B | 45. B |

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 for office use by 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 purchased 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 Day Book
 - C. General Day Book
 - D. Purchases Day 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. Accounts receivable 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 2012.
- | | |
|--------------------------|----------|
| Rent paid in advance at | |
| 1 January 2012 | RM5,000 |
| Payments in 2012 | RM35,000 |
| Rates paid in advance at | |
| 31 December 2012 | RM4,000 |
- What is the amount of rent and rates expense in the profit and loss account for the year ended 31 December 2012?
- 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
- increased by debits
 - decreased by debits
 - increased by credits
 - 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. Cash Flows Statement
C. Financial Position Statement
D. Comprehensive Income 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 2012:
- | | |
|---------------------------|-----------|
| Debtors at 1 January 2012 | RM5,000 |
| Sales in 2012 | RM105,000 |
| Receipts from debtors | RM76,000 |
| Credit notes sent in 2012 | RM2,000 |
- What is the total balance of debtors on 31 December 2012?
- 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

Answers:

- | | | | | | | | | | | | | | | |
|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1. B | 4. C | 7. A | 10. C | 13. C | 16. C | 19. A | 22. C | 25. C | 28. B | 31. D | 34. A | 37. D | 40. B | 43. B |
| 2. D | 5. A | 8. A | 11. B | 14. C | 17. C | 20. D | 23. A | 26. D | 29. B | 32. C | 35. D | 38. C | 41. C | 44. B |
| 3. A | 6. C | 9. B | 12. D | 15. A | 18. A | 21. B | 24. C | 27. B | 30. A | 33. A | 36. D | 39. D | 42. D | 45. D |

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?

A. Bank Account
B. Sales Account
C. Drawings Account
D. Purchases Account
14. Which of the following is **NOT** included in the calculation of Gross Profit?

A. Duty import
B. Carriage inwards
C. Carriage outwards
D. Insurance on purchases
15. Cost of goods sold is equal to

A. opening stock + purchases + closing stock
B. opening stock - purchases + closing stock
C. opening stock + purchases - closing stock
D. closing stock + purchases - opening stock
16. The excess of sales revenue over the cost of goods sold is known as

A. Gross Profit
B. Gross Loss
C. Net Profit
D. Net Loss
17. What is the entry to record for an **INCREASE** in the Allowance for Doubtful Debts?

A. debit Allowance for Doubtful Debts; credit Debtors Account
B. debit Debtors Account; credit Allowance for Doubtful Debts
C. debit Profit and Loss Account; credit Allowance for Doubtful Debts
D. debit Allowance for Doubtful Debts; credit Profit and Loss Account
18. The amount of debts which is known to be irrecoverable must be written off as

A. bad debts
B. doubtful debts
C. bad debts recovered
D. 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
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?

A. RM1,000 C. RM1,600
B. RM1,400 D. 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?

A. RM20,000 C. RM30,000
B. RM22,000 D. 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

A. Accrued expenses
B. Prepaid expenses
C. Accrued revenues
D. Unearned revenues
23. Financial Statements include

i. Statement of cash flows
ii. Statement of owner's equity
iii. Statement of Financial Position
iv. Statement of Comprehensive Income

A. i & ii
B. i & iii
C. i & iv
D. i, ii, iii & iv
24. Which of the following statements are **TRUE** about a Statement of Financial Position?

i. It is not an account
ii. It has debit and credit sides
iii. It shows the financial position of the business at a particular date
iv. It shows the gross profit earned for the period covered by the accounts

A. i & ii
B. i & iii
C. i & iv
D. i, iii & iv
25. What does the closing balance on a Sales Ledger Control Account represent? It represents the amount

A. owing to credit suppliers
B. of total sales of the year
C. due from credit customers
D. received from credit customer for the year

Closing stock was value at RM9,100.

What was the gross profit of the business for the year ended 31 July 2011?

A. RM21,000 C. RM35,000
B. RM27,500 D. RM36,600

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

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

QUESTION 1

- a. Explain briefly THREE (3) purposes of preparing a Trial Balance. **(9 marks)**
- b. Below is a list of balances extracted from the books of A. Ramlee Enterprise on 31 December 2012.

Name of Account	Amount (RM)
Capital	75,600
Opening inventory	19,400
Purchases	22,760
Sales	41,500
Returns inwards	1,400
Returns outwards	1,890
Insurance	2,130
Salary	3,460
Discount revenue	1,100
Discount allowed	780
Loan	30,000
Accounts payable	14,970
Accounts receivable	17,024
Insurance on purchases	1,060
Interest revenue	900
Interest paid	1,720
Fixed deposit	9,000
Overdraft bank	7,822
Cash	805
Fixtures and fittings	10,000
Furniture	15,761
Drawings	700
Rent paid	2,730
Vehicles	64,000
Carriage inwards	1,356
Carriage outwards	400
Commission revenue	1,154
Stationery	450

Based on the information above, you are required to prepare the Trial Balance as at 31 December 2012 for A. Ramlee Enterprise. **(16 marks)**

Trial Balance : RM174,936



QUESTION 2

Muhammad, the owner of Teras Jenang Trading is a furniture distributor in Shah Alam. The business transactions in July 2013 were as follows:

- July 2013
- 1 Muhammad deposited RM20,000 into the business bank account as capital.
He contributed a lorry to the business as capital RM80,000.
 - 3 Bought a machine on credit from Magnum Gold Sdn Bhd at RM120,000.
Muhammad withdrew cash RM2,000 from the business's bank account for office use.
 - 4 Cash sales to Siew Lan Enterprise RM5,000.
 - 6 Paid office rental RM2,000 by cheque.
 - 8 Bought goods on credit from Aiman Furniture RM20,000.
 - 10 Sold goods to Fahin, received a cheque RM7,000.
 - 13 Sold goods to Maya Trading on credit RM10,000.
 - 14 Paid carriage outwards RM500 by cash.
 - 15 Muhammad took a dining table RM3,000 for his own use.
 - 18 Paid utility bills by cheque RM1,000.
 - 20 Bought goods on credit from Kancha Tirana Furniture RM15,000.
 - 21 Maya Trading returned damaged furniture valued at RM1,000.
 - 25 Paid wages by cheque RM1,000.
 - 28 Received a cheque from Maya Trading RM8,600 for the full settlement of his account.

You are required to record all the above transactions into ledgers and balance off the ledger account on 31 July 2013.

(25 marks)

Bank : RM29,600
Machineries : RM120,000
Sales : RM22,000
Aiman Furniture : RM20,000
Drawings : RM3,000
Returns inwards : RM1,000

Capital : RM100,000
Magnum Gold Sdn Bhd. : RM120,000
Rent : RM2,000
Carriage inwards : RM500
Kancha Tirana : RM15,000
Discount allowed : RM 400

Vehicles : RM80,000
Cash : RM6,500
Purchases : RM32,000
Maya Trading : -
Utility bills : RM1,000
Wages : RM1,000

QUESTION 3

Pandai Lela the owner of Pandainya Enterprise, with accounting year ends on 31 December 2012. 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 2012.

PANDAINYA ENTERPRISE
Trial Balance as at 31 December 2012

	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	
Purchases and Sales	350,000	553,250
Salaries	48,500	
Accounts receivable and Accounts payable	67,500	57,600
Allowance 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 expense	2,300	
Carriage inwards	1,000	
Drawings	2,400	
Import duties	7,500	
Capital, 1 January 2012		548,855
	1,360,150	1,360,150

The following additional information is available as at 31 December 2012:

- Closing inventory was RM23,000 at market value and RM32,000 at cost value.
- Insurance premium was paid for one year to 30 April 2013.
- 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 Allowance for doubtful debts is to be adjusted to 1% on Accounts receivable.

You are required to prepare:

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

(13 marks)

(12 marks)

Gross Profit: RM192,370

Net Profit: RM113,520

Statement of Financial Position: RM887,575

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TARIKH DIPULANGKAN
(DATE DUE)

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