



**FINAL EXAMINATION**

**COURSE : INTERMEDIATE FINANCIAL ACCOUNTING I**

**COURSE CODE : PFA2143**

**DURATION : 2 HOURS 30 MINUTES**

**INSTRUCTIONS TO CANDIDATES :**

1. This question paper consists of **TWO (2)** parts: PART A (2 questions)  
PART B (2 questions)
2. Answer ALL questions in the Answer Booklet provided.
3. Please check to make sure that this examination pack consists of :
  - i. The Question Paper
  - ii. An Answer Booklet
4. Do not bring any material into the examination hall unless permission is given by the invigilator.
5. Please write your answer using a ball-point pen.

**MYKAD NO :** \_\_\_\_\_

**ID. NO. :** \_\_\_\_\_

**LECTURER :** \_\_\_\_\_

**SECTION :** \_\_\_\_\_

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**DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO**

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*The question paper consists of 04 printed pages*

**2024/B/PFA2143**

MAR2024/B/PFA2143

## PART A

## 1. (5 points)

Fill in the blanks the with a suitable answer as provided in the above table.

accumulated fund	debit side	minus	deficit
added	cash book	surplus	credit side

- In the income and expenditure account, expenses are recorded on the \_\_\_\_\_ and income on the \_\_\_\_\_.
- Any excess of income over expenditure is \_\_\_\_\_ to the accumulated fund.
- A receipts and payments account is simply a summary of the \_\_\_\_\_.
- Total income less than total expenditure amount generally indicates \_\_\_\_\_.

## 2.(10 points)

Indicate the following statement as either “**TRUE**” or “**FALSE**”.

- Only unpaid installments can be sued by the hire purchase creditor for any default payment.
- The legal title on the hire-purchase transaction will be transferred to the buyer immediately upon delivery of the asset.
- Final payment for early settlement will be debited to the disposal account.
- Hire purchase interest can be calculated using the straight-line method.
- An asset borrowed by a third party is a reason for the early termination of a hire-purchase transaction.
- Payment of the deposit by the buyer will be debited to the hire purchase creditor account.
- When an asset is acquired on the hire purchase system, the asset account is debited with the cash price of the asset in the books of the hire purchaser.
- Hire purchase price is equal to cash price plus total hire purchase interest.
- In the hire-purchase system, ownership of goods passes from the seller to the buyer only when full and final payment is made.
- The hire purchase system and the credit purchase system are different.

**PART B: ESSAY**

**1. (15 points)**

Taman Jaya Club provides the following information for receipts and payments account for the year ended 31 December 2023.

Receipts and payments account			
	RM		RM
Balance b/d	8,500	Purchase (Shop Trading)	780
Annual subscription	5,800	Maintenance club	540
Donations	1,400	Salary – shop trading	1,000
Entrance fee	800	Rent - shop	250
Cash sales (Shop Trading)	2,500	General expenses	480
		Balance c/d	15,950
	<u>19,000</u>		<u>19,000</u>

Additional information:

a.

	1 January 2023	31 December 2023
	RM	RM
Equipment (net book value)	8,000	7,000
Computer (net book value)	2,800	2,450
Subscription in arrears	850	670
Subscription in advance	280	380
Shop inventories	240	360

b. Annual depreciation expenses for the following assets are:

Equipment RM1,000

Computer RM 350

**Required:**

- Calculate the Accumulated Fund of the club as at 1 January 2023. (3.5 points)
- Prepare the Subscription Account. (3.5 points)
- Shop Trading Account for the year ended 31 December 2023. (4 points)
- Prepare the Income and Expenditure Account for the year ended 31 December 2023. (4 points)

(Show ALL your workings. Round up to the nearest ringgit)

**2. (40 points)**

Jayden Enterprise bought a lorry under hire purchase agreement with Mahmud Bhd. The following are the details regarding the agreement they have signed:

Lorry (Reg. no. CFE 7557)	
Cash price	RM110,000
Date of agreement	1 December 2020
Deposit	RM11,000
Instalment	24 instalments of RM5,000 each.
Date of 1 <sup>st</sup> instalment	1 January 2021
Instalment paid	Quarterly

Jayden Enterprise closes its books on 31 December every year. It uses straight line method to allocate the hire purchase interest. Depreciation is calculated at 10% on yearly basis using the straight-line method.

However, on 1 May 2023, Jayden Enterprise sold the lorry to Meriah Sdn. Bhd. for RM30,000. The hire purchase agreement with Mahmud Bhd. was terminated as Mahmud Bhd. agreed to make final payment of RM42,000.

**Required:**

- a. Determine the amount of interest charged for each installment. (3 points)
- b. Show in the buyer's books, the accounts for the year ended 31 December 2020, 2021, 2022 and 2023
  - i. Lorry account. (8 points)
  - ii. Hire purchase creditor account. (15.5 points)
  - iii. Hire purchase interest account. (6 points)
  - iv. Accumulated depreciation. (7.5 points)
  - v. Disposal account. (3 points)

(Show ALL workings. Round up figure to the nearest ringgit)

**END OF QUESTION PAPER**