



FINAL EXAMINATION

COURSE : FUNDAMENTAL OF ACCOUNTING

COURSE CODE : PAC1153

DURATION : 02 HOURS

INSTRUCTIONS TO CANDIDATES:

1. This question paper consists of **TWO (2)** parts:
PART A: TRUE/ FALSE QUESTION (10 questions)
PART B: ESSAY (02 questions)
2. Answer ALL questions in your answer booklet.
3. Please check to make sure that this examination pack consists of:
 - i. The Question Paper
 - ii. An Answer Booklet
 - iii. An Appendix 1
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 : _____

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

The question paper consists of 07 printed pages

OCT2024/D/PAC1153

PART A (10 points)

TRUE/FALSE QUESTIONS.

State each of the following statements whether it is TRUE or FALSE.

1. (1 point)

Cash book is a book prepared by the company that reported the cash and cheques transactions.

2. (1 point)

Bookkeeping errors may be made either by the bank, the business, or both.

3. (1 point)

Collection of notes receivables is referred to debit memorandum.

4. (1 point)

The current ratio is also known as the working capital ratio.

5. (1 point)

The lowest the inventory turnover ratio, the better it is for the business.

6. (1 point)

In the bank statement, a bank overdraft will appear in the debit side of account.

7. (1 point)

A cheque from a customer has been cancelled because the cheque is incomplete, so it should be recorded as dishonoured cheque in the bank statement.

8. (1 point)

A gross profit of 25% indicates that for every RM100 of sales, RM25 gross profit was made after cost of goods sold were paid.

9. (1 point)

In receivable turnover ratio, a higher number of collections per year, shows the ineffectiveness of the debt collection.

10. (1 point)

If the company is solely rely on shareholder capital rather than a loan from a bank, the higher percentage of debt to total asset ratio will occur.

PART B

1. (18 points)

The adjusted cash balance per bank agreed with the cash balance per books as at 30 June 2024 for Alan & Akid Bhd. Below is the information provided:

- i. Deposit in transit RM6,500.
- ii. Outstanding cheques:

No. 1001	RM3,000
No. 1003	RM3,500
No. 1004	RM1,500
No. 1005	RM1,000

The bank statement of Alan & Akid Bhd. for July 2024 shows the following details:

Kevser Bank				
Bank Statement				
Cheque			Deposit	
Date	Cheque No.	Amount (RM)	Date	Amount (RM)
02-Jul	1001	3,000	01-Jul	6,500
03-Jul	1005	1,000	05-Jul	20,000
06-Jul	1006	5,000	07-Jul	15,000
10-Jul	1007	15,000	13-Jul	4,500
14-Jul	1009	5,250	25-Jul	15,050
15-Jul	1012	30,500		
20-Jul	1013	25,500		
28-Jul	1015	16,400		

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The record per book has been made by Alan & Akid Bhd. for the month is as follow:

Cash receipts		Cash payments		
Date	Amount	Date	Cheque No	Amount
02-Jul	20,000	04-Jul	1006	500
05-Jul	15,000	07-Jul	1007	15,000
10-Jul	4,500	11-Jul	1009	5,250
17-Jul	15,050	13-Jul	1012	30,500
29-Jul	25,000	16-Jul	1013	25,500
		23-Jul	1015	16,040
		28-Jul	1017	10,650
		30-Jul	1020	10,250

The following details is gathered throughout the month of July 2024:

- The cash balance per bank is RM61,750 and cash balance per books is RM45,165.
- The note receivables collected during the month was RM30,000 with interest RM1,000 and collection fees RM180.
- Insufficient fund made by previous customer amounted RM10,000.
- The debit memo includes RM275 charge by bank for printing cheque book.
- There were two errors made by the company and no adjustment has been made.

Required:

Prepare a bank reconciliation statement as at 31 July 2024.

2. (22 points)

The data below shows the financial statement taken from Naim Trading, a company that sells shoes.

Naim Trading
Extract Statement of Comprehensive Income for the year ended 30 June 2024

	<u>RM</u>
Sales	40,000
Less: Cost of Goods Sold	<u>(15,000)</u>
Gross Profit	25,000
Less: Expenses	<u>(1,250)</u>
Net Profit	<u><u>23,750</u></u>

Naim Trading
Statement of Financial Position as at 30 June 2024

	RM
<u>NON-CURRENT ASSETS</u>	
Furniture	105,500
Machinery	145,000
<u>CURRENT ASSETS</u>	
Inventory	42,000
Account receivable	55,000
Bank	50,000
Cash	3,000
TOTAL ASSETS	<u>400,500</u>

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	RM	RM
<u>LIABILITIES</u>		
Loan from CIMB		100,000
Mortgage		100,000
Account payable		43,050
<u>OWNER'S EQUITY</u>		
Beginning Capital	150,000	
(+) Net profit	23,750	
(-) Drawings	(16,300)	
Ending Capital		157,450
TOTAL LIABILITIES AND OWNER'S EQUITY		400,500

Required:

Determine the following ratios for the year ended 30 June 2024:

- Current ratio (6 points)
- Acid test ratio (5 points)
- Gross profit ratio (3 points)
- Net profit ratio (3 points)
- Debt ratio (5 points)

(Note: Show ALL workings.)

END OF QUESTION PAPER

Current Ratio	$\frac{\text{Current Asset}}{\text{Current Liability}}$
Acid Test Ratio/Quick Ratio	$\frac{\text{Current Asset} - \text{Inventory} - \text{Prepayment}}{\text{Current Liability}}$
Inventory Turnover Ratio	$\frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$
Receivable Turnover Ratio	$\frac{\text{Net Credit Sales}}{\text{Average Net Receivable}}$
Gross Profit Ratio	$\frac{\text{Gross Profit} \times 100}{\text{Net Sales}}$
Net Profit Ratio	$\frac{\text{Net Profit} \times 100}{\text{Net Sales}}$
Debt Ratio	$\frac{\text{Total Liabilities} \times 100}{\text{Total Assets}}$
Average Collection Period	$\frac{365}{\text{Receivable Turnover Ratio}}$