



## UNIVERSITY COLLEGE TATI (UC TATI)

## FINAL EXAMINATION QUESTION BOOKLET

COURSE CODE	: DTG 1402
COURSE	: INTRODUCTION TO ACCOUNTING
SEMESTER/SESSION	: 2 - 2022/2023
DURATION	: 3 HOURS

Instructions:

1. This booklet contains 5 questions. Answer **ALL** questions.
2. All answers should be written in answer booklet.
3. Write legibly and draw sketches wherever required.
4. If in doubt, raise your hand and ask the invigilator.

**DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO**

**THIS BOOKLET CONTAINS 4 PRINTED PAGES INCLUDING COVER PAGE**

**QUESTION 1**

- a) Explain **FIVE (5)** objectives of accounting (10 marks)
- b) Write the formula of Accounting Equation (2 marks)
- c) State **THREE (3)** Accounting Principles (3 marks)
- d) Define the following:
- i) Asset
  - ii) Liability
  - iii) Capital
  - iv) Double entry
  - v) Return inwards
- (10 marks)

**QUESTION 2**

- a) Explain the purpose of folio columns in cash book, sales ledger and purchases ledger. (2 marks)
- b) Explain **FOUR (4)** consideration to offer credit to customer (8 marks)

**QUESTION 3**

Fuad Enterprise is selling the following items at the recommended retail prices as shown: white tape RM10 per roll, green felt at RM4 per metre, blue cotton at RM6 per sheet, black silk at RM20 per dress length. The following are sales made in May 2022:

- May 1 To Jaydin: 3 rolls white tape, 5 sheets blue cotton, 1 dress length black silk. Less 25 per cent trade discount
- 4 To Alhussin: 6 rolls white tape, 30 metres green felt. Less 33½ per cent trade discount
- 8 To Ehsan: 1 dress length black silk. No trade discount.
- 20 To Aliya: 10 rolls white tape, 6 sheets blue cotton, 3 dress lengths black silk, 11 meters green felt. Less 25 percent trade discount.
- 31 To Baba: 12 rolls white tape, 14 sheets blue cotton, 9 meters green felt. Less 33.5% per cent trade discount.

Required: Compute total sales of Fuad Enterprise on May 2022 and transfer the total to the Sales Day Book. (15 marks)

**QUESTION 4**

- a) Demonstrate **FOUR (4)** conditions concerning bad debt. (8 marks)
- b) For the business of Genuine Enterprise, classify the following as revenue expenditure or capital expenditure:
- i) Purchase of an extra van
  - ii) Cost of rebuilding warehouse wall which had fallen down
  - iii) Building extension to the warehouse
  - iv) Panting extension to warehouse when it is first build
  - v) Carriage cost on bricks for new warehouse extension
  - vi) Carriage cost on purchases
  - vii) Legal cost of collecting debts
  - viii) Interest on loan to purchase laptop
  - ix) Cost of cartridge used by the printer
  - x) Cost of software to be installed in laptop
- (10 marks)

**QUESTION 5**

The trial balance for Kimtan Enterprise at 31 December 2021 is as follows:

	RM	RM
Inventory on 1 January 2021	8,200	
Purchases and sales	26,000	40,900
Postpaid telephone bill	4,400	
Interest rates	1,600	
Petrol	340	
Van at cost	9,000	
Accounts receivable and accounts payable	1,160	2,100
Bank	1,500	
Provision for depreciation on van		1,200
Capital at 1 January 2021		19,700
Drawings	11,700	
	63,900	63,900

At 31 December 2021 there was:

1. Inventory valued at cost prices RM9,100
2. Accrued postpaid telephone bill of RM400
3. Prepaid interest rates of RM300
4. The van is to be depreciated at 20% of cost

You are required to prepare an income statement and statement of financial position by considering the above adjustment.

(32 marks)

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