

TUNKU ABDUL RAHMAN UNIVERSITY OF MANAGEMENT AND TECHNOLOGY

FACULTY OF ACCOUNTANCY, FINANCE AND BUSINESS

ACADEMIC YEAR 2024/2025

MAY/JUNE EXAMINATION

**ABFA3044 BUSINESS ACCOUNTING**

MONDAY, 26 MAY 2025

TIME: 9.00 AM – 11.00 AM (2 HOURS)

DIPLOMA IN BUSINESS ADMINISTRATION

**Instructions to Candidates:**

This paper consists of four questions and you are required to answer **ALL FOUR (4)** questions.

All workings that support the answers must be shown.

Marks will be awarded for clarity in presentation and logical arguments.

You are required to continue with a **fresh page** when answering **new questions or parts** of the questions.

**ABFA3044 BUSINESS ACCOUNTING**

Answer **ALL FOUR (4)** questions.

**Question 1**

The following financial statements relate to two companies in the same industry.

Statement of financial position as at 31 March 2025

	MY Sdn. Bhd. RM'000	GX Sdn. Bhd. RM'000
Assets		
<i>Non-current assets</i>		
Land and building	150,000	100,000
Motor vehicles	30,400	40,500
Office equipment	1,500	4,200
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	181,900	144,700
<i>Current assets</i>		
Inventory	5,600	7,500
Trade receivables	13,450	12,400
Cash and bank balances	1,450	-
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	20,500	19,900
<b>Total assets</b>	<b>202,400</b>	<b>164,600</b>
Equity and Liabilities		
<i>Equity</i>		
Share capital	91,000	70,800
Retained earnings	8,850	12,800
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	99,850	83,600
<i>Non-current liabilities</i>		
Loan	75,550	45,000
<i>Current liabilities</i>		
Trade payables	27,000	35,500
Bank overdraft	-	500
	<hr/>	<hr/>
	27,000	36,000
<b>Total Liabilities</b>	<b>102,550</b>	<b>81,000</b>
<b>Total Equity and Liabilities</b>	<b>202,400</b>	<b>164,600</b>

**ABFA3044 BUSINESS ACCOUNTING****Question 1 (Continued)**

Statement of profit or loss for the year ended 31 March 2025

	MY Sdn. Bhd.	GX Sdn. Bhd.
	RM'000	RM'000
Revenue	1,204,400	1,443,000
Cost of sales	(567,902)	(584,020)
<b>Gross profit</b>	<b>636,498</b>	<b>858,980</b>
Distribution costs	(123,200)	(160,200)
Administration expenses	(230,450)	(220,340)
Finance costs	(5,000)	(2,000)
<b>Profit before taxation</b>	<b>277,848</b>	<b>476,440</b>
Taxation	(65,000)	(103,400)
<b>Profit for the year</b>	<b>212,848</b>	<b>373,040</b>

Additional information:

- i. On average, 10% of the sales are contributed by credit sales.
- ii. The opening inventory values for MY Sdn. Bhd. and GX Sdn. Bhd. are RM6,000 and RM6,850, respectively.

**Required:**

(a) Calculate the following financial ratios of MY Sdn. Bhd. and GX Sdn. Bhd.:

- i. Gross profit margin;
- ii. Net profit margin;
- iii. Quick ratio;
- iv. Current ratio;
- v. Trade receivables turnover period;
- vi. Inventory turnover period;
- vii. Equity to total asset ratio. (15 marks)

(b) Comment on this financial performance and financial position of MY Sdn. Bhd. and GX Sdn. Bhd. using the ratios calculated in part (a) above. (10 marks)  
[Total: 25 marks]

**ABFA3044 BUSINESS ACCOUNTING****Question 2**

ThreeProduction Berhad is a leading company in the industry. The directors are eagerly to know the cash flow movement their company, therefore, the accountant has gathered the details of the current year's financial information as follows:

## Statement of profit or loss for the year ended 31 March 2025

	RM'000
Revenue	1,450
Cost of sales	(320)
<b>Gross profit</b>	<b>1,130</b>
Operating expenses	(320)
Depreciation	(120)
Loss on sale of property, plant and equipment	(20)
Interest income	15
Interest expense	(5)
<b>Profit before taxation</b>	<b>680</b>
Tax expense	(120)
<b>Profit for the year</b>	<b>560</b>

## Statement of financial position as at 31 March 2025

	2025	2024
	RM'000	RM'000
<i>Assets</i>		
<i>Non-current assets</i>		
Property, plant and equipment	1,250	1,135
Investment	120	35
	<b>1,370</b>	<b>1,170</b>
<i>Current assets</i>		
Inventories	145	175
Receivables	130	96
Fixed deposits	20	10
Cash on hand and in bank	220	180
	<b>515</b>	<b>461</b>
<b>Total assets</b>	<b>1,885</b>	<b>1,631</b>

**ABFA3044 BUSINESS ACCOUNTING****Question 2 (Continued)***Equity and Liabilities**Equity*

Share capital	680	601
Retained earnings	435	320
	1,115	921

*Non-current liabilities*

Loan	430	350
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*Current liabilities*

Payables	245	280
Dividend payable	10	5
Tax liability	85	75
	340	360
<b>Total Equity and liabilities</b>	<b>1,885</b>	<b>1,631</b>

## Additional information:

i. During the year, part of the property, plant and equipment with net book value of RM50,000 were sold for RM30,000 in cash.

**Required:**

(a) Prepare a statement of cash flows for the year ended 31 March 2025 in accordance with IAS 7/ MFRS 7 Statement of Cash Flows, using indirect method (including a note on cash and cash equivalents). (18 marks)

(b) Discuss how a cash flow statement helps a business evaluate its financial performance. (7 marks)  
[Total: 25 marks]

## **ABFA3044 BUSINESS ACCOUNTING**

### **Question 3**

Jelly Fish Sdn. Bhd. has prepared the following forecasted financial information from April 2025 to September 2025:

1. The opening cash and bank balance is RM17,500.
2. Forecasted sales:
  - It is the company's policy to collect 30% of sales within the same month, while the remaining 70% is collected after a month.

March	April	May	June	July	August	September
40,000	34,000	50,600	50,000	34,500	23,500	70,600

3. Forecasted purchases:
  - The purchase cost is estimated at 50% of total sales for the month.
  - Payments for purchases are made one month after the purchase month.
4. The company plans to purchase a new motor vehicle worth RM250,000. A deposit of RM50,000 will be paid in July, while the remaining balance will be settled through monthly installments of RM500 starting August.
5. Tax payment of RM10,500 will be made on August 2025.
6. A list of expenses from the forecasted statement of profit or loss will be paid within the same month.

Expenses	April	May	June	July	August	September
Salaries and wages	10,000	15,000	15,000	20,000	20,000	20,000
Administrative expenses	5,000	5,400	6,500	2,300	3,500	3,400
Rental	3,000	3,000	3,000	4,000	4,000	4,000

- The RM800 depreciation expense is included in administrative expenses.

#### **Required:**

- (a) Prepare the monthly cash budget for the six months ending 30 September 2025. (20 marks)
- (b) Identify **ONE** (1) issue from the cash budget in part (a) and propose relevant solutions for improvement. (5 marks)

[Total: 25 marks]

**ABFA3044 BUSINESS ACCOUNTING****Question 4**

(A)

CMAKER Sdn. Bhd. has two departments, namely the Content Department and the Event Organising Department, which engage in the event planning business. These departments are supported by the Marketing and Creative Design Departments.

The following budget has been prepared for the next financial period:

		Overheads (RM'000)	
Indirect labour	-	Content department	750
	-	Event Organising department	600
	-	Marketing	540
	-	Creative Design department	680
Supervision		400	
Power		200	
Rent and rates		500	
Building insurance		20	
Asset depreciation		50	

Additional information available includes:

	Content	Event Organising	Marketing	Creative Design
Floor area (sq.metres)	500	1,500	500	500
Number of employees	20	25	10	20
Power (kilowatt hours)	60,000	30,000	5,000	20,000
Asset value (RM)	10,000	30,000	5,000	25,000
Project hours estimated	8,500	9,500	-	-

**Required:**

(a) Prepare an overhead cost analysis sheet based on the above data. (15 marks)

(b) Calculate the appropriate project hour overhead absorption rates for both Content and Event Organising Departments in which all overheads will be recovered. (3 marks)

**ABFA3044 BUSINESS ACCOUNTING****Question 4 (Continued)**

(B)

Using the data provided below, compute the following:

Budgeted data	Raw materials	10 kilograms @ RM2 per kg
Actual data	Production level	1,000 units
	Raw materials	10,500 kilograms @ RM4 per kg

i. Direct material price variance (2 marks)

ii. Direct material usage variance (3 marks)

iii. Total direct material variance (2 marks)  
[Total: 25 marks]