

Review Questions

Accounting Equation

1. Complete the gap below:

No	Assets, RM	Liabilities, RM	Equities / Capital, RM
a	30,000	18,000	
b	69,400	32,100	
c	47,500		11,700
d	71,800		19,400
e		30,500	28,100
f		47,200	36,500
g	93,000	44,000	
h		36,200	39,800
i	107,300		41,500
j	125,500	77,400	
k	114,700		33,400
l		64,600	21,300

2. Define Assets. Explain 2 types of assets and give 3 examples. State where we should report "Asset"
3. Define Liabilities. Explain 2 types of liabilities and give 3 examples. State where we should report "Liabilities"
4. Define revenue. Give at least 3 examples. State where we should report "Revenue"

5. Define expenses. Give at least 3 examples. State where we should report “Expenses”

6. Apply the principle of double entry system and complete this table.

Account Category	Effect	Entry (Debit / Credit)
Assets	Increase	
	Decrease	
Liabilities	Increase	
	Decrease	
Share Capital	Increase	
	Decrease	
Retained Earning	Increase	
	Decrease	
Sales	Increase	
	Decrease	
Sales Return	Increase	
	Decrease	
Purchases	Increase	
	Decrease	
Purchase Return	Increase	
	Decrease	
Expenses	Increase	
	Decrease	

7. Name the type of account for the following:

	Account	Type
A	Advertising	
B	Rent Revenue	
C	Account Receivable – Catherine Yap	
D	Travelling Expenses	
E	Cash in Hand	
F	Fixed Deposit	
G	Investment	
H	Bond and Debenture	
I	Cash at Bank	
J	Freight Inwards	

8. Name the type of account for the following:

	Account	Type
A	Interest on Loan	
B	Interest on Saving	
C	Mortgage	
D	Share and Stocks	
E	Account Payable – Ramjeet	
F	Bad Debt	
G	Wages and Salaries	
H	Printing and Stationery	
I	Donation Revenue	
J	Depreciation	

9. Identify the account to be opened and their entries based on following business activities:

		Account to be debited	Account to be credited
a	Start business by depositing cash into bank		
b	Withdraw cash from bank for business use		
c	Paid deposit for office rent in cash		
d	Bought new furniture and computers payment by cheque		
e	Pay cheque for office cleaning services		

10. Identify the account to be opened and their entries based on following business activities:

		Account to be debited	Account to be credited
a	Bought inventory from Anwar by credit. Received Discount		
b	Bought photocopy machine by credit from Yuti Office Supply Sdn Bhd		
c	Sold Inventory by credit to Zoomba Ltd. Issued Discount.		
d	Sold inventory in cash to Sungkai Homestay Sdn Bhd. Issued Discount		
e	Paid Anwar in cash, received discount		
f	Paid electricity bill in cash		
g	Received invoice from Angsana		

		Account to be debited	Account to be credited
h	Zoomba Ltd paid his debt by chq. Issued discount.		
i	Issued cheque to Excelya Construction Ltd for the construction new office		
j	Brought in additional capital in from cash into the business' bank account		

11. Complete the gap below:

No	Assets, RM	Liabilities, RM	Equities / Capital, RM
a		-95,214	+658,125
b		+95,214	+658,125
c	215,784	-78,626	
d	-215784	+78,626	
e	+474,894	-45,831	+520,725
f	+474,894		+474,894

12. The following information was obtained from the books of Umar Rayyan Sdn Bhd on 31 December 2016. Prepare Trial Balance as at 31/12/2016

Account	RM
Furniture	10,000
Vehicles	15,000
Cash in hand	7,500
Cash at bank	8,900
Sales	18,000
Carriage inwards	490
Stationery	570
Loan	12,500
Capital	11,000
Insurance	690
Rent Revenue	750
Trade payables	900

13. The following information was obtained from the books of Abdul Latiff Trading.

You required to prepare trial balance as at 31 December 2016

Account	RM
Capital	20,900
Sales	67,732
Trade Payables	4,800
Rent Revenue	1,300
Fixtures and Fittings	8,200
Purchases	41,000
Opening Inventory	8,000
Carriage outwards	909
Wages and Salaries	12,250
Vehicles	14,080

Purchase returns	235
Sales returns	210
Fixed Deposit	10,125
Dividend Revenue	175
Bad Debts	310
Bank Overdraft	3,985
Cash in Hand	1,500
Interest on Loan	580
Carriage inwards	1,320
Vehicles Expenses	1,585
Rates and Taxes	258
Printing and stationery	485
Trade Receivables	5,150
Loan	9,435
Investment	2,600

14. Using question 12 and 13 prepare Balance Sheet and Income Statement