

FUKIEN SECONDARY SCHOOL  
S3 Final Examination (2020-2021)  
Integrated Business  
(1 hour)

Date: 9<sup>th</sup> June 2021

Time: 10:15a.m. - 11:15a.m.

Name: \_\_\_\_\_

Class: \_\_\_\_\_ No. : \_\_\_\_\_

**INSTRUCTIONS**

1. This paper carries 90 marks.
2. Write your name, class and class number in the spaces provided on Page 1.
3. This paper consists of two sections, A and B. **ATTEMPT ALL QUESTIONS.**
4. Section A contains 12 multiple-choice questions. All questions carry equal marks.
5. Section B contains 7 questions.

There are 12 questions in this section. Answer **ALL** questions. Choose the **best** answer for each question.

1. Which of the following statements are correct?

- (1) To record a decrease in an asset, the asset account must be credited.
- (2) To record an increase in a liability, the liability account must be credited.
- (3) To record a decrease in capital, the capital account must be credited.

- A. (1) and (2) only
- B. (1) and (3) only
- C. (2) and (3) only
- D. (1), (2) and (3)

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2. On 1 January 2021, Sunny started his business by putting \$420 000 into the firm's bank account and introducing a motor van costing \$35 000 into the firm. In addition, the firm borrowed a loan of \$200 000 to buy a machine.

Calculate the amount of Sunny's capital as at 1 January 2021.

- A. \$200 000
- B. \$235 000
- C. \$455 000
- D. \$655 000

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3. Which of the following is **NOT** a task of accounting?

- A. prepare financial statements
- B. record business transactions
- C. provide training to accounting staff
- D. summarise business performance

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4. What was the balance of the following account as at 31 March 2021?

Moon							
2021			\$	2021			\$
Mar	5	Bank	80	Mar	1	Purchases	150
"	15	Bank	200	"	13	Purchases	250
				"	29	Purchases	300

- A. \$420 (debit balance)
- B. \$420 (credit balance)
- C. \$700 (debit balance)
- D. \$700 (credit balance)

☐

5. Which of the following accounts usually ends up with a debit balance?

- A. Trade receivables
- B. Trade payables
- C. Rental income
- D. Capital

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6. A firm is considered socially responsible to its customers if it \_\_\_\_\_.

- (1) sets discounted prices for the elderly
- (2) offers discounts to loyal customers
- (3) performs product safety tests which are not required by law

- A. (1) and (2) only
- B. (1) and (3) only
- C. (2) and (3) only
- D. (1), (2) and (3)

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7. Which of the following are the duties of human resources managers?

- (1) arrange recruitment
- (2) design compensation and benefit package
- (3) provide training

- A. (1) and (2) only
- B. (1) and (3) only
- C. (2) and (3) only
- D. (1), (2) and (3)

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8. Which of the following is a disadvantage for businesses ignoring their social responsibilities?

- A. company image being damaged
- B. higher tax rate
- C. attraction of customers who are concerned about social responsibility
- D. decrease of legal risk

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9. How will an increase in electricity affect the gross profit and net profit?

- |    | <u>Gross profit</u> | <u>Net profit</u> |
|----|---------------------|-------------------|
| A. | unchanged           | unchanged         |
| B. | unchanged           | decreases         |
| C. | decreases           | unchanged         |
| D. | decreases           | decreases         |

☐

10. Which of the following statements is/are correct?

- (1) Current assets are assets that are to be converted into cash or consumed after one year.
- (2) Current assets are bought to be used for the operation of a business.
- (3) Non-current assets are listed in order of durability in the statement of financial position.

- A. (1) only
- B. (2) only
- C. (3) only
- D. (1), (2) and (3)

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11. Which of the following is a function of a trial balance?

- A. show the financial position of a company
- B. report the financial performance of a business
- C. record business transactions
- D. Facilitate preparation of financial statements

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12. Which of the following are uses of a company's financial statements to relevant users?

- |     | <u>User</u>    | <u>Usefulness</u>  |
|-----|----------------|--|
| (1) | Trade payables | to assess the company's ability to repay the interests and debts |
| (2) | Government     | to evaluate the performance and facilitate business planning     |
| (3) | Consumers      | to assess the stability of the company's goods supply            |

- A. (1) and (2) only
- B. (1) and (3) only
- C. (2) and (3) only
- D. (1), (2) and (3)

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**End of Section A**

**SECTION B** (66 marks)

Answer **ALL** questions.

1. State two functions of financial management.

(2 marks)

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2. For each of the following stakeholders, explain one way a company can fulfil its social responsibility:

(a) employees

(2 marks)

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(b) customers

(2 marks)

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3. Record the following transactions into the appropriate accounts.

(22 marks)

2021

- Jan 1 Pluto opened a business bank account by transferring \$50 000 from his own bank account.  
 3 Purchased goods of \$800 on credit from Saturn.  
 10 Sold goods to Mars at \$600 in cash.  
 13 Bought furniture at \$4 500 by cheque.  
 18 Sold goods at \$1 500 to Jupiter on credit.  
 20 Returned goods of \$350 purchased on January 3 to Saturn.  
 23 Received goods of \$500 returned by Jupiter.  
 27 Received cash of \$800 paid by Jupiter.  
 28 Rent of \$2 300 was received by cheque.  
 30 Settled the account with Saturn by cheque.  
 31 Paid electricity of \$3 500 by cheque.

#### Bank


#### Capital


#### Mars


#### Cash


#### Purchases


Saturn

Sales

Furniture

Jupiter

Returns outwards

Returns inwards

Rental income

Electricity

## 4. Balance off the accounts.

(8 marks)

Bank					
2020		\$	2020		\$
Jul 1	Capital	5 000	Jul 2	Motor vans	1 200
8	Motor vans	1 200	12	Cash	100
			30	Loan from Mercury	300

Capital			
	2020		\$
	Jul 1	Bank	5 000

Sales			
	2020		\$
	Jul 3	Cash	2 400
	5	Rain	28 000

Loan from Mercury						
2020			\$	2020		\$
Jul 30	Motor Van	800		Jul 21	Cash	1 100
30	Bank	300				



(6 marks)

This image shows a full page of blank primary-ruled paper. It features multiple sets of horizontal lines designed for handwriting practice. Each set consists of three lines: a solid top line, a dashed middle line, and a solid bottom line. These sets are repeated vertically down the entire page, providing ample space for practicing letter formation and alignment. The paper is otherwise completely blank, with no margins, text, or other markings.

- (12 marks)

\$

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(12 marks)

	\$
Bank	85 000
Trade receivables	9 000
Trade payables	9 500
Inventory	56 500
Motor vehicles	70 000
Premises	180 000
Net profit for the year	66 000
Bank loan (repayable on 30 June 2025)	200 000
Cash	5 000
Capital, 1 January 2020	130 000

**END OF PAPER**