



**KOLEJ YAYASAN PELAJARAN JOHOR
FINAL EXAMINATION**

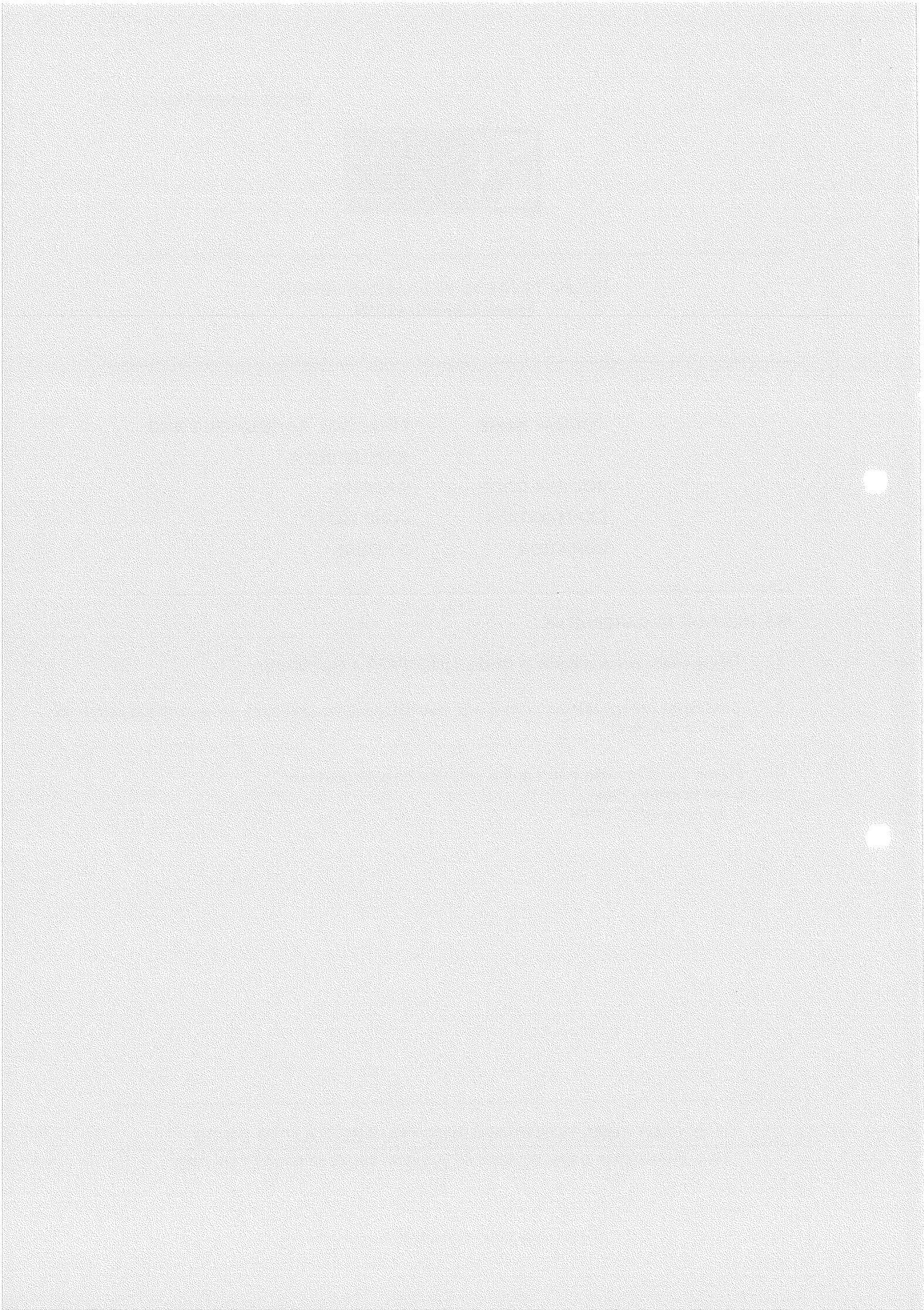
COURSE NAME : FINANCIAL ACCOUNTING AND
REPORTING 4
COURSE CODE : DAC2113
EXAMINATION : JUNE 2024
DURATION : 3 HOURS

INSTRUCTION TO CANDIDATES

1. This question paper consists of **ONE (1)** part : PART A (100 Marks)
2. Candidates are not allowed to bring any material to examination room except with the permission from the invigilator.
3. Please check to make sure that this examination pack consist of:
 - i. The Question Paper
 - ii. An Answering Booklet

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This examination paper consists of 9 printed pages including front page



PART A

This part consist of **FOUR (4)** questions.

Answer **ALL** questions

QUESTION 1

Jaka Sdn Bhd acquired 120,000 ordinary shares of Saka Sdn Bhd on 1 January 2023.

At that date the retained profit of Saka Sdn Bhd was RM20,000. 00

Given below are the Statement of Financial Position of Jaka and Saka as at 31 December 2023.

	Jaka Sdn Bhd RM	Saka Sdn Bhd RM
Ordinary shares of RM 1 each	500,000	300,000
Share premium	160,000	-
Retained profit	136,000	60,000
10% Debenture	200,000	50,000
Trade payable	44,000	30,000
	1,040,000	440,000
Land and buildings	250,000	150,000
Plant and equipment	180,000	160,000
Research and development	160,000	-
Investment on Saka	300,000	
Trade receivable	45,000	25,000
Inventories	50,000	40,000
Bank	55,000	65,000
	1,040,000	440,000

Additional information:

- On 1 January 2023 the fair value of Saka's plant and equipment was RM250,000. Saka did not adjust the book to reflect the new value. Both the companies depreciate plant and equipment at 20% using the reducing balance method. Saka did not purchase or dispose any plant and equipment during 2021.
- Half of the Saka's inventories were purchased from Jaka. Jaka made profit of 25% on invoice price.

3. Trade receivable of Jaka included RM25,000 due from Saka. However Saka remitted RM5,000 on 31 December 2023 which was received by Jaka on 3 January 2022.

You are required to:

1. Calculate the goodwill. (5 marks)
2. Prepare the Consolidated Statement of Financial Position as at 31 December 2023. (Show all the working) (20 marks)

QUESTION 2

Statement of Comprehensive Income of Father and its subsidiary Son for the year ended 31 December 2023.

	Father RM'000	Son RM'000
Sales	12,000	10,000
Cost of sales	(5,000)	(4,000)
	7,000	6,000
Operating expenses	(2,000)	(2,000)
Gross profit	5,000	4,000
Other income		
Consultancy service to son	120	
Dividends from Son	320	
	5,440	4,000
Tax	(1,800)	(1,400)
Profit after tax	3,640	2,600

Retained profit – 1 Jan 2023	15,600,000	2,400,000
Ordinary dividends paid in 2023	1,000,000	400,000

Additional information:

1. On 1 January 2022, father acquired 80% of the issued ordinary shares of Son of 5,000,000 shares of RM1 each.
2. On 1 Jan 2022, the retained profit of Son was RM1,000,000.
3. During 2023 :
 - Opening inventory of Son includes good brought from Father (at cost plus 25%) for RM25,000.
 - Father trades with Son by making sales of goods for RM50,000 at cost plus 25%.
 - From the above trade RM100,000 of these goods remain unsold in Son's record.
 - Son paid a dividend of RM400,000 and Father has recognized it.
 - Father charges Son for consultancy services as income, while Son record as in operating expenses.

You are required to prepare:

1. The Consolidated statement of comprehensive income of Father and its subsidiary Son for the year ended 31 December 2023.(show the working)
(15 marks)
2. The statement of change equity for the year ended 31 December 2023.
(10 marks)

QUESTION 3

Mayo Bhd suffered losses for three consecutive years. The Trial Balance as at 30 June 2023 are as follows:

Mayo Bhd
Trial Balance at at 30 June 2023

	Debit RM	Credit RM
Land and building	500,000	
Accout receivable	110,000	
Goodwill	100,000	
Inventories	226,000	
Account payable		250,000
10% preference shares		700,000
Bank		111,000
Plant and machinery	360,000	
Loss	1,600,000	
Ordinary shares		1,800,000
Bills payable		35,000
	2,896,000	2,896,000

Due to the recurring losses, the company agreed to the following scheme of capital reduction:

1. To reduce the ordinary shares to RM0.10 per share and then consolidate it into RM1 per share.
2. Preference shareholders agree to receive 500,000 ordinary shares of RM1 each in exchange of their preference shares.
3. Accumulated loss and goodwill are to be written off.
4. Contigent liability of RM25,000 did not materialize.
5. The following assets were valued as follow:

	RM
Land and building	533,000
Plant and machinery	240,000

Inventories	200,000
Trade receivables	128,000

You are required to prepare:

1. The journal entries to affect the reconstruction scheme.
(10 marks)
2. The capital reduction account and ordinary share account.
(10 marks)
3. The statement of Financial Position of the company after the completion
of the capital reduction scheme.
(5 marks)

QUESTION 4

Statement of Financial Position of Delima Bhd and Kejora Bhd as at 31 July 2023.

	Delima Bhd RM	Kejora Bhd RM
Freehold properties	465,000	347,000
Plant and machinery	77,000	46,000
Inventories	80,000	74,000
Trade receivables	20,000	15,000
Bank	18,000	10,000
	660,000	492,000
Ordinary shares capital of RM 1 each	500,000	400,000
Share premium	100,000	50,000
Profit and loss	35,000	25,000
10% debenture		10,000
Trade payables	25,000	7,000
	660,000	492,000

Additional information, it was agreed that:

- a) Delima will acquire all the assets (except cash at bank) and liabilities of Kejora as at 31 July 2023.
- b) The purchase consideration to consist of:
 - I. 400,000 ordinary shares of RM1 each in Delima valued at RM1.20 per share.
 - II. RM12,000 8% debentures in Delima to discharge the 10% debentures of Kejora at a premium 20%.
- c) Delima has agreed to pay the liquidation expenses of Kejora which amounted to RM10,000.
- d) The fair value of the assets of Kejora were:

Item	RM
Freehold properties	283,000
Plant and machinery	40,000

You are required to:

1. Calculate the amount of goodwill. (6 marks)
2. Prepare close book of Kejora by means of ledger entries. (show all the working) (10 marks)
3. Record the above transaction in the books of Delima Bhd. (ledger only) (3 marks)
4. Prepare Statement of Financial Position of Delima Bhd immediately after the absorption of Kejora Bhd (6 marks)

(TOTAL : 100 MARKS)

END OF QUESTION



