



**KOLEJ YAYASAN PELAJARAN JOHOR
FINAL EXAMINATION**

**COURSE NAME : FINANCIAL ACCOUNTING AND
REPORTING 2**

COURSE CODE : DAC1023

EXAMINATION : JUNE 2023

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

DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO

*This examination paper consists of **10** printed pages including front page*



PART A

This part contains of **FIVE (5)** questions.

Answer ALL in Answering Booklet.

QUESTION 1

The following information has been extracted from the books of Cantek Manufacturing relating to the accounts for year ended 31 July 2022:

LIST OF ACCOUNTS	RM
Inventories at 1 August 2021 :	
Raw materials	24,000
Work in progress	13,100
Finished goods	21,400
Purchases – raw materials	189,400
Direct labour	262,900
Indirect labour	24,500
Indirect materials	30,000
Returned purchase	6,600
Returned sales	4,600
Factory building at cost	500,000
Plant and machinery at price cost	140,000
Accumulated depreciation plant and machinery	26,600
Furnitures at cost	128,000
Accumulated depreciation furnitures	25,600
Office salaries	49,000
Carriage Inward	5,800
Office and administrative expenses	36,000
Rate and rent	4,500
Utilities	1,700
Sales	670,200
Factory fuel and power	11,300

Additional information :

1. Inventories at 31 July 2022 as following :

Raw materials	RM36,400
Work in progress	RM18,300
Finished goods	RM32,500

2. At the year-end RM500 was still owing for utilities.
3. Rate and rent, and utilities are to be apportioned between factory and the office in the ratio 4:1 and 3:1.
4. Depreciation on plant and machinery is 10% per annum using the reducing balance method and depreciation on furniture is 20% using the straight-line method. Factory building is not to be depreciated.
5. Finished goods manufactured during the accounting period are transferred to Statement of Profit or Loss at production cost plus 10%.

REQUIRED :

- a. Prepare the Manufacturing Account for the year ended 31 July 2022.
(8 marks)
- b. Prepare the Statement of Profit or Loss for the year ended 31 July 2022.
(8 marks)
- c. Define the following term :
 - i) Manufacturing business activities.
 - ii) Trading business activities.
(2 marks)

QUESTION 2

Darwis dan Tasnim have been in partnership for many years sharing profits and losses in the ratio 2:1. The partnership agreement provides for annual salary to Darwis and Tasnim RM96,000 and RM72,000. It is also provides its interest on capital of 10% and interest on drawings 12% per annum. The following was their Statement of Financial Position as at 31 December 2022:

Darwis dan Tasnim		
Statement of Financial Position as at 31 December 2022		
ASSET		
Non-Current Assets		
Freehold premise	300,000	
Furnitures	100,000	
Motor vehicles	<u>200,000</u>	600,000
Current Assets		
Inventories	80,000	
Trade receivables	90,000	
Bank	<u>320,000</u>	<u>490,000</u>
Total Asset		<u>990,000</u>
EQUITY AND LIABILITIES		
Partners' Equity		
Capital account:		
Darwis	500,000	
Tasnim	<u>420,000</u>	920,000
Current Liabilities		
Trade payables		<u>70,000</u>
Total Equity And Liabilities		<u>990,000</u>

On 1st July 2023, they decided to admit Uwais as a partner on the condition that he contributed RM200,000 as his capital and RM50,000 cash for his share of goodwill.

Upon admission of Uwais, the assets were to be revalued to their new value as follow :

The freehold premise	RM420,000
Inventories	RM 70,000
Furnitures	RM 80,000
Motor vehicles	RM170,000

A goodwill has been estimated at RM300,000. It is decided that the goodwill is not to be maintained in the partnership's books.

The net profit for the year ended 31 December 2022 was RM755,800 and it was assumed that this profit had occurred evenly throughout the year.

The details of the new partnership agreement were as follows :

- i. Darwis is to receive a salary RM10,000 per month and Tasnim receive a salary RM8,000 per month.
- ii. Interest on drawing and capital will remain the same.
- iii. New profit-sharing ratio be Darwis, Tasnim and Uwais is 3:2:1.

REQUIRED :

- a. Prepare the Revaluation Account as at 1 July 2022.
(3 marks)
- b. Prepare the Appropriation Statement showing the pre and post periods for the year ended 31 December 2022.
(9 marks)
- c. Prepare the Partner's Capital Statement (in columnar form) for the year ended 31 December 2022.
(10 marks)

QUESTION 3

- a. List three (3) characteristics of public companies. (3 marks)
- b. The Statement of Financial Position (extract) of Kiambang Bhd as at 1 January 2021 was as follows.

	RM
<u>Share Capital (Issued and paid-up)</u>	
4,000,000 10% Preference share	2,000,000
2,000,000 Ordinary shares	4,000,000
<u>Reserves</u>	
Retained earnings	10,000,000

On 1 January 2021, the company decided to issue 2,000,000 ordinary shares at RM2.50 each and also to issue 2,000,000 10% preference shares at RM2.00 each.

On 31 January 2021, applications were received and fully paid for 3,500,000 ordinary shares and 1,500,000 10% preference shares. The money in respect of the unsuccessful applications was refunded to the unsuccessful applicants.

On 1 August 2021, the company issues RM3,000,000 7% debentures at 95. The issuance cost incurred was RM22,000. The effective interest rate is 9%. The interest was paid at the end of financial year on 31 December 2021. This debentures is carried out at amortised cost.

REQUIRED :

- i. Prepare the relevant journal entries to record all the above transactions for the year ended 31 December 2021. (Narrations are not required) (12 marks)

- ii. Prepare the statement of Financial Position (extract) as at 31 December 2021. (Equity and Liabilities sections only)

(5 marks)

QUESTION 4

Below is the Statement of Financial Position of Quantum Berhad as at 31 December 2022.

Quantum Berhad	
Statement of Financial Position as at 31 December 2022	
	RM
Issued and paid up capital	
1,800,000 Ordinary Shares	4,320,000
Reserves	
Retained earnings	2,600,000
General Reserve	3,800,000
Non-Current Liability	
8,000,000 8% Redeemable preference shares	8,000,000
10% Debenture	800,000

Additional Information:

1. For the year ended 31 December 2022, the company resolved to redeem half of the 8% redeemable preference shares at RM1.80 per share.
2. For redemption purpose, the company issued 2,000,000 units of ordinary shares of RM2.40 each for cash at RM2.00 each. The issue was fully subscribed.
3. All of the 10% Debentures were redeemed.

REQUIRED :

Show the journal entries to record the above transactions. (Narration is not required).

(15 marks)

QUESTION 5

Langit Biru Berhad has shares consisting ordinary shares and 8% Preference shares. Below is the trial balance for Langit Biru Berhad as at 31 December 2022.

Langit Biru Berhad		
Trial Balance as at 31 December 2022		
	RM	RM
1,000,000 Ordinary shares		2,000,000
800,000 7% Preference shares		800,000
8% Debentures		80,000
Investments	400,000	
Land	1,320,000	
Office Equipment at cost	140,000	
Motor vehicles at cost	260,000	
Accounts receivable	155,000	
Accounts payable		130,000
Accumulated depreciation as at 1 January 2022 :		
Office Equipment		28,000
Motor vehicles		49,400
Sales		800,000
Cost of sales	403,500	
Inventories as at 31 December 2022	95,000	
Cash at bank	1,203,100	
Advertising and commission	55,000	
Administration expenses	140,500	
Directors' remuneration	60,000	
Interim dividend Preference share	30,000	
Interim dividend Ordinary share	22,000	
Interest on debentures	3,200	
Auditors' fees	32,400	
Investments income		32,000
General reserve		80,000
Retained profit as at 1 January 2022		355,000
Tax paid	34,700	
	4,354,400	4,354,400

Additional Information:

1. The company depreciates its office equipment at RM14,000 and motor vehicles at RM 21,060. The depreciation on motor vehicle is to be treated as selling expenses.
2. Provisions are to be made for half year's debenture interest.
3. Accrued directors remuneration amounting to RM12,000.
4. Accrued auditors fees amounting to RM3,500.
5. During the year, the directors declared the following regarding dividend:
 - i. Final dividend of RM0.15 per share for ordinary shares.
 - ii. Final dividend of preference shares.
6. Taxation on profit for the year was RM29,000.
7. The directors decided to transfer RM22,000 to general reserve.

REQUIRED :

Prepare the following statements in a form suitable for publication and in compliance with the Companies Act 2016 and related to Malaysian Financial Reporting Standards (MFRS):

- a. Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2022.

(9 marks)
- b. Statement of Changes In Equity for the year ended 31 December 2022.

(4 marks)
- c. Statement of Financial Position as at 31 December 2022.

(7 marks)
- d. Notes on property, plant and equipment to accompany the above statements.

(5 marks)

[100 MARKS]

END OF QUESTION PAPER

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