



**KOLEJ YAYASAN PELAJARAN JOHOR
ONLINE FINAL EXAMINATION**

COURSE NAME : FINANCIAL ACCOUNTING AND REPORTING 2
COURSE CODE : DAC1023
EXAMINATION : JUNE 2022
DURATION : 3 HOURS

INSTRUCTION TO CANDIDATES

1. This examination consist of **FIVE (5)** questions (100 marks)
2. Please refer to the detailed instructions in this question paper.
3. Answer ALL questions in the answer sheet which is A4 size paper (or other paper with the consent of the relevant lecturer).
4. Write your details as follows in the upper left corner for each answer sheet:
 - i. Student Full Name
 - ii. Identification Card (I/C) No.
 - iii. Class Section
 - iv. Course Code
 - v. Course Name
 - vi. Lecturer Name
5. Each answer sheet must have a page number written at the bottom right corner.
6. Answers should be **neat and clear in handwritten form**.

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

This examination paper consists of 9 printed pages including front page

QUESTION 1

Sari Junior Enterprise is a textile manufacturer, provided the following account balances for the year ended 31 December 2020.

	RM
Purchases:	
Raw materials	600,000
Finished goods	300,000
Direct labour	330,000
Direct factory expenses	270,000
Indirect factory expenses	43,000
Factory Maintenance	21,000
Machine repairs	28,000
Sales	3,679,000
Inventory at 1 January 2020:	
Raw materials	240,000
Work in progress	110,000
Finished goods	100,000
Indirect materials	31,000
Factory heating and lighting	38,000
Factory rent	25,000
Administration expenses	50,000
Selling and Distribution expenses	72,900
Accounts receivable	178,000
Accounts payable	232,300
Plant and machinery at cost	500,000
Delivery van at cost	200,000
Accumulated depreciation at 1 January 2020:	
Plant and machinery	150,000
Delivery van	80,000
Allowance for unrealised profit at 1 January 2020	10,600
Capital	659,200

Additional information:

1. Inventories as at 31 December 2020 are as follows:

	RM
Raw materials (Cost)	150,000
Work in progress	90,000
Finished goods	110,000

2. The raw material purchases included a charge for carriage inward in relation to the finished product amounted to RM5,600.
3. 30% of the administration expenses are to be allocated to the factory.
4. The company depreciates its plant and machinery at RM35,000 and delivery van at 20,000.
5. Finished goods manufactured during the accounting period are transferred to Statement of Profit or Loss at production cost plus 15%.

REQUIRED:

- a. Prepare the Manufacturing account for the year ended 31 December 2020.
(8 marks)
- b. Prepare Statement of Profit or Loss for the year ended 31 December 2020.
(8 marks)
- c. Differentiate between work in progress and finished goods.
(2 marks)

QUESTION 2

Kay and Syahir are in partnership business sharing profit and loss equally. The partnership agreement provides for annual salary to Kay and Syahir RM30,000 and RM27,000 respectively. It also provides its interest on capital of 6% and interest on drawings 8% per annum.

The following information is relevant for the year ended 31 December 2020.

1. On 1 January 2020, the account balances were as follows:

	Capital (RM)	Current (RM)
Kay	190,000	45,000
Syahir	170,000	35,000

2. Asset to be revalued:

Building increase by RM70,000

Furniture and fittings decrease by RM15,000

Motor vehicles decrease by RM17,000

Inventories decrease by RM6,000

3. On 1 September 2020, Tasha was admitted as a new partner. For the purpose of Tasha's admission, she contributed RM76,000 cash as capital and RM50,000 cash for his share of goodwill. The amount of goodwill as at 1 September 2020 was RM250,000. The details of the new partnership agreement were as follows:

Kay is to receive a salary of RM5,000 per month.
Syahir is to received a salary of RM3,500 per month.
No interest in capital will be allowed.
Interest on drawings will be 10% per annum.
Profit and loss sharing ratio between Kay, Syahir, and Tasha is 2:2:1

4. The net profit for the year ended 31 December 2020 was RM526,230 and it was assumed that this profit had accrued evenly throughout the year.

REQUIRED:

- a. The revaluation statement as at 1 September 2020.
(3 marks)
- b. Appropriation Statement showing the pre and post periods for the year ended 31 December 2020.
(9 marks)
- c. Capital Statement for the year ended 31 December 2020.
(10marks)

QUESTION 3

- a. Briefly explain on company limited by shares and unlimited company.
(4 marks)
- b. List **THREE (3)** characteristics of ordinary shares capital .
(3 marks)
- c. The following is the Statement of Financial Position (extract) of Bersatu Teguh Bhd as at 1 January 2020.

	RM
<u>Share Capital (Issued and paid-up)</u>	
2,000,000 Ordinary shares	4,000,000
4,000,000 10% Preference share	2,000,000
<u>Reserves</u>	
Retained earnings	9,000,000

On 1 January 2020, the company decided to issue 2,000,000 ordinary shares at RM1.50 each and also to issue 2,000,000 10% preference shares at RM1.00 each.

On 31 January 2020, applications were received and fully paid for 3,500,000 ordinary shares at RM1.50 each and 1,800,000 10% preference shares at RM1 each. Any excess on the applications was rejected and refunded.

On 1 September 2020, the company issues RM2,000,000 7% debentures at 98. The issuance cost incurred was RM18,000. The effective interest rate is 9%. The interest was paid at the end of financial year on 31 December 2020. 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 2020. (Narrations are not required)
(7 marks)
- ii. Prepare the Statement of Financial Position (extract) as at 31 December 2020. (Equity and Liabilities sections only)
(6 marks)

QUESTION 4

Below is the Statement of Financial Position of Maryam Berhad as at 31 December 2020.

Maryam Berhad	
Statement of Financial Position as at 31 December 2020	
	RM
Issued and paid up capital	
1,500,000 Ordinary Shares	3,450,000
Reserves	
Retained earnings	2,300,000
General Reserve	3,500,000
Non-Current Liability	

5,000,000 5% Redeemable preference shares	5,000,000
7% Debenture	890,000

Additional Information:

1. For the year ended 31 December 2020, the company resolved to redeem 70% of the 5% redeemable preference shares at RM1.20 per share.
2. For redemption purpose, the company issued 2,000,000 units of ordinary shares for cash at RM2.00 each. The issue was fully subscribed.
3. All of the 7% Debentures were redeemed.

REQUIRED:

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

(15 marks)

QUESTION 5

Platinum Berhad has shares consisting ordinary shares and 8% Preference shares. Below is the trial balance for Platinum Berhad as at 31 December 2020.

Platinum Berhad
Trial Balance as at 31 December 2020

	RM	RM
Sales		800,000
Cost of sales	406,500	
1,000,000 Ordinary shares		2,000,000
700,000 8% Preference shares		700,000
7% Debentures		70,000
Advertising and commission	45,000	
Administration expenses	120,800	

Directors' remuneration	54,000	
Interim dividend Preference share	28,000	
Interim dividend Ordinary share	20,000	
Interest on debentures	1,800	
Auditors' fees	36,000	
Investments	400,000	
Investments income		29,180
General reserve		89,000
Retained profit as at 1 January 2020		320,000
Land	1,386,620	
Office Furniture at cost	150,000	
Motor vehicles at cost	227,000	
Accounts receivable and payable	151,000	140,000
Accumulated depreciation as at 1 January 2020 :		
Office Furniture		38,000
Motor vehicles		92,310
Inventory as at 31 December 2020	85,000	
Cash at bank	1,133,300	
Tax paid	33,470	
	4,278,490	4,278,490

Additional Information:

1. The depreciation expense for the following assets is to be calculated as follows:

Office furniture RM 30,000

Motor vehicles RM 32,000

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 auditors fees amounting to RM2,400.

4. Accrued directors remuneration amounting to RM10,000.
5. During the year, the directors declared the following regarding dividend:
Final dividend of RM0.10 per share for ordinary shares.
Final dividend of preference shares.
6. Taxation on profit for the year was RM27,000.
7. The directors decided to transfer RM20,000 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 2020.
(8 marks)
 - b. Statement of Changes In Equity for the year ended 31 December 2020.
(5 marks)
 - c. Statement of Financial Position as at 31 December 2020.
(7 marks)
 - d. Notes on Property, plant and equipment to accompany the above statements.
(5 marks)
- [100 MARKS]**

END OF QUESTION PAPER