UNIVERSITI POLY-TECH MALAYSIA UPTM

FINAL EXAMINATION

BACHELOR OF ACCOUNTANCY (HONOURS)

COURSE	:	**FINANCIAL ACCOUNTING AND REPORTING 1**
COURSE CODE	:	**ACC3364**
DURATION	:	**3 HOURS**

INSTRUCTIONS TO CANDIDATES:

1. This question paper consists of **FOUR (4)** questions.
2. Answer **ALL** questions in the Answer Booklet provided.
3. Please check to make sure this examination pack consists of:
   i. The Question Paper
   ii. An Answer Booklet
4. Do not bring any material into the examination hall. The use of calculator is allowed.
5. Please write your answer using a ball-point pen permanent ink.

MYKAD/PASSPORT NO. : ______________________

ID. NO. : ______________________

LECTURER : ______________________

SECTION : ______________________

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

This question paper consists of 7 printed pages including the front page

QUESTION 1

Khair runs a small trading business and has recently prepared his trial balance. While reviewing the figures, he noticed that the debit and credit totals did not match. This imbalance suggests that some posting errors may have occurred in the accounts.

	DR	CR
Cash	10,000	
Equipment	6,000	
Inventory	8,000	
Receivables	5,000	
Cost of goods sold	6,400	
Wages	3,000	
Capital		24,000
Payables		7,000
Sales		10,000
Total	**38,400**	**41,000**

Additional information:

The following errors were found:

i. A credit sale of RM850 was correctly posted to the Sales account, but completely omitted from the Receivables account.

ii. An electricity bill of RM400 was debited to Wages instead of the correct Utilities account.

iii. A payment to a supplier of RM500 was correctly credited to the Cash account but was debited to the Payables account as RM50.

iv. RM700 from the sales day was omitted from the Receivables ledger but was properly credited to Sales.

v. An error occurred where RM300 of discounts allowed to customers was posted to the Sales account rather than to the Discounts Allowed account.

Required:

Prepare a worksheet in adjusting the trial balance to correct those errors.

(20 marks)

QUESTION 2

The following is the Statement of Financial Position (extract) as at 31 December 2025:

Ahmad Bhd
Statement of Financial Position (extract) as at 31 December 2025

	RM
Assets	
Investment	7,000,000
Bank	3,000,000
	10,000,000
Equity	
Issued and Paid-up Capital:	
4,000,000 Ordinary Shares	4,000,000
Retained Earnings	3,000,000
Non-current Liabilities	
5% Bonds	1,000,000
2,000,000 6% Redeemable Preference Shares of RM1.00 each	2,000,000
	10,000,000

Additional information:

During the year, Ahmad Bhd resolved the followings:

i. Redeem 3/5 of the 6% Redeemable Preference Shares.

ii. Issue 500,000 ordinary shares at RM1.20 each, fully subscribed, to help finance the redemption. Remaining balance will be settled out of profits.

iii. To make bonus issues out of retained earnings, one for every five ordinary share held on 3 December 2025.

iv. Repurchase 100,000 ordinary shares at RM1.50 each in the open market using the treasury share method.

v. Sell an investment for RM700,000, making a profit of RM250,000.

Required:

Prepare the relevant journal entries to record all the above transactions.
(Narration are not required).

(Total: 10 marks)

QUESTION 3

Commencing 1 January 2020, Lily and Hasya are partners of Kenang Trading sharing profits and lossess in the ratio of 1:1 respectively. The partnership agreement provides each partner 5% per annum interest on capital as at beginning of the year, 8% per annum interest on drawings and salary of RM2,000 per month for every partner.

On 1 January 2025, the account balances were as follows:

	Capital Statement (RM)	Current Statement (RM)
Lily	64,800	16,000
Hasya	70,400	8,700

Non-current Assets	RM	Revalued
Equipment at carrying amount	30,600	28,600
Freehold land & building at cost	104,000	130,000

Additional information:

1. On 1 October 2025, Lily and Hasya welcome Arina as a new partner into the business. On the same day, Arina contributed RM80,000 for her capital and another RM10,000 for her share of goodwill.

2. A new partnership agreement provides that:

   - Profit & loss are to be shared equally among partners
   - Interest on drawings remain the same
   - No interest is to be provided on partners' capital balances.
   - There will be no provision for salary to partners.

3. Drawings made during the accounting period were as follows:

	Date	Amount (RM)
Lily	1 January 2025	12,000
Hasya	1 July 2025	8,000
Arina	1 November 2025	5,400

4. Net profit for the year ended 31 December 2025 is RM 80,960 and assumed to accrue evenly throughout the year.

Required:
(Note: Round off figure and show all workings)

i. Goodwill account.

(6 marks)

ii. Revaluation account.

(3 marks)

iii. Appropriation account incorporating the pre and post period for the year ended 31 December 2025.

(13 marks)

iv. Partners' current accounts.

(7 marks)

v. Partners' capital accounts.

(6 marks)

(Total: 35 marks)

QUESTION 4

The following trial balance was drawn from the accounts of MeiHua Floral as of 31 December 2025:

	Debit (RM)	Credit (RM)
Inventory as at 1 January 2025	40,000	
Returns	4,000	6,000
Carriage Inwards	7,000	
Carriage Outwards	4,400	
Duty on purchases	5,600	
Purchases and sales	160,000	300,000
Discount received		6,400
Insurance on purchases	5,400	
Commission received		4,600
Shop rental	28,000	
Salary	33,000	
Salesman commission	2,600	
Discount allowed	5,200	
Interest expenses	5,000	
Allowance for doubtful debts		1,000
Delivery van	70,000	
Costumes cabinet	60,000	
Office equipment	100,000	
Accumulated depreciation:		
Delivery van		28,000
Costumes cabinet		12,000
Office equipment		10,000
Accounts receivable	50,000	
Account payable		40,000
Telephone and electricity	10,000	
Insurance	9,000	
Cash at bank	50,000	
Petty cash	3,000	
Loan from Bank Rakyat (10% p.a)		100,000
Drawings	600	
Capital		144,800
	652,800	**652,800**

Additional information:

i. The shop rental is RM1,000 per month. It was paid in advance for two months.

ii. The salary for the fashion designer amounting to RM1,500 remains unpaid.

iii. The interest on a loan from Bank Rakyat for half a year was outstanding.

iv. One of the customers was declared bankrupt and unable to settle his debts. The customer still owed RM2,000.

v. The allowance for doubtful debts on sundry accounts receivable needs to be provided 5%.

vi. Depreciation is to be provided as follows:

	Method of depreciation	**Depreciation rate**
Delivery van	Straight line	20%
Customes cabinet	Straight line	10%
Office equipment	Straight line	10%

vii. Ms. Samsiah, the owner, withdrew petty cash of RM100 and took a flower amounting to RM200 for her daughter's birthday.

viii. The inventory as at 31 December 2025 was RM16,000

Required:

a. Prepare the Statement of Profit or Loss for the year ended 31 December 2025.
(17 marks)

b. Prepare the Statement of Financial Position as at 31 December 2025.
(15 marks)

c. State the purpose of the Statement of Owner's Equity and list **TWO (2)** item it typically includes.
(3 marks)

(Total: 35 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER