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

Given is a trial balance of Melody enterprise.

Account	DR	CR
Cash	31,400	
Equipment	76,000	
Capital		160,000
Inventory	35,000	
Payables		17,400
Receivables	48,000	
Sales		112,680
Cost of goods sold	25,000	
Insurance	16,000	
Wages	18,400	
Total	249,800	290,080

Additional information:

The following errors were found:

i. Insurance premium of RM4,800 was wrongly recorded under wages.

ii. Cash received of RM10,000 was treated as trade receivable, but it was actually settlement from a sale.

iii. Petty cash of RM10,000 was omitted from the trial balance.

iv. A credit sale of RM15,880 has been left out into receivables but it was actually had been correctly posted in the sales account.

v. Discount allowed from debtor of RM7,200 was wrongly credited to sales instead of being debited to discount allowed.

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:

DNAB Holding
Statement of Financial Position (extract) as at 31 December 2025

	RM
Assets	
Investment	6,300,000
Bank	5,020,000
	11,320,000
Equity	
Issued and Paid-up Capital:	
3,950,000 Ordinary Shares	3,950,000
Retained Earnings	2,300,000
Non-current Liabilities	
3% Debentures	1,370,000
3,700,000 2.5% Redeemable Preference Shares of RM1.00 each	3,700,000
	11,320,000

Additional information:

During the year, the company resolved the followings:

i. The board of directors decide to redeem 7/20 of the 2.5% Redeemable Preference Shares.

ii. To finance the redemption, the company offered 200,000 units of ordinary shares at RM1.75 per share to the public, payable in full upon application. The shares were fully subscribed and paid. The remaining amount was financed out of profits.

iii. To make bonus issue out of retained earnings, one for every ten ordinary shares held on 31 December 2025.

iv. To repurchase 600,000 ordinary shares at RM1.80 per share in the open market using treasury share method.

v. Sold RM1,300,000 investment at a profit of RM810,000.

Required:

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

(Total: 10 marks)

QUESTION 3

Alia, Nisa and Lila were in partnership for several years. The partnership agreement outlines the following information:

i. Profit and losses were apportioned at 4:4:2.
ii. Interest on opening capital balance was set at a rate of 10% per annum.
iii. Interest on cash drawn by the partners during the year was set at a rate of 5% per annum.

Due to the retirement of Alia, the other two partners decided to invite Aris to join the partnership on 1 August 2025. Aris agreed to contribute capital and premium on goodwill of RM15,000 and RM10,000 respectively by cheque.

A new partnership agreement was drawn up which states the following:

i. No interest is to be allowed on capital.
ii. The interest rate for drawings is to be maintained.
iii. Aris is also entitled to a salary of RM1,000 per month in the new partnership
iv. The new profit-sharing ratio between Nisa, Lila and Aris is set at 3:2:1.

The following information is relevant for the year ended 31 December 2025:

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

Partners:	Capital Statement (RM)	Current Statement (RM)
Alia	50,000	10,240
Nisa	50,000	10,240
Lila	25,000	7,620

2. Alia retired from the partnership on 1 August 2025 and upon her retirement, the non-current assets were revalued. This resulted in a revaluation surplus of RM30,500.

3. The partnership agreed to pay Alia all amounts due to her by cheque.

4. Drawings made by partners during the year were as follows:

Partners:	RM	Date
Alia	8,000	1 March 2025
Nisa	3,500	1 March 2025
Aris	3,840	1 October 2025

5. For the purpose of Aris's admission, goodwill is to be valued at RM60,000 and is not to be maintained in the partnership accounts.

6. Net profit for the year ended 31 December 2025 amounted to RM40,800. The profit was assumed to accrue evenly throughout the year.

Required:

Prepare the following:
(Show all workings. Round up your calculation to the nearest RM)

i. Goodwill account.

(6 marks)

ii. Revaluation account.

(4 marks)

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

(12 marks)

iv. Partners' current accounts.

(8 marks)

v. Partners' capital accounts.

(5 marks)

(Total: 35 marks)

QUESTION 4

Presented below is the Trial Balance of Kisah Trading, a business specializing in the supply of coffee cups, prepared as at 31 December 2025.

	DEBIT RM	CREDIT RM
Capital		875,800
Purchases and sales	438,000	505,200
Returns	1,350	1,800
Drawings	1,200	
Discounts	1,110	1,470
Allowance for doubtful debts		1,200
Accounts receivable and accounts payable	39,600	29,640
Land	810,000	
Motor vehicles	60,000	
Fixtures and fittings	54,000	
Accumulated depreciation:		
Motor vehicles		15,600
Fixtures and fittings		10,800
Carriage inwards	2,400	
Carriage outwards	1,500	
Rental expenses	15,600	
Customs duties on purchases	1,050	
Salaries	15,000	
Electricity and water	1,680	
Advertising expense	720	
Commission received		11,700
7% loan from Kijang bank		30,000
Cash in hand	31,290	
Bank overdraft		2,690
Inventory as at 1 January 2025	11,400	
	1,485,900	**1,485,900**

Additional information:

The following transactions are to be taken into accounts as at 31 December 2025:

i. During the year, the owner took goods worth RM900 for his personal use. This was not recorded in the books.

ii. Depreciation was provided on the straight-line method:

Motor vehicle : 15%
Fixtures and fittings : 10%

iii. Bad debts written off during the year were RM1,290. The allowance for doubtful debt needs to be provided at 10%.

iv. Accrued expenses: Advertising : RM1,250
Electricity and water : RM60
Interest on loan for the whole year

v. Prepaid expenses: Salaries : RM2,100
Rental : RM1,200
Carriage outwards : RM420

vi. Closing inventory as at 31 December 2025 was RM12,600

Required:

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

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

c. Explain the reason of year-end adjustments are necessary before preparing financial statements.
(2 marks)

(Total: 35 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER