UNIVERSITI POLY-TECH MALAYSIA UPTM

FINAL EXAMINATION

BACHELOR OF ACCOUNTANCY (HONOURS)

COURSE	:	CONSOLIDATED FINANCIAL REPORTING I
COURSE CODE	:	ACC4284
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 that this examination pack consists of :
   i. The Question Paper
   iii. An Answer Booklet
4. Do not bring any material into the examination hall. The use of a calculator is allowed.
5. Please write your answer using 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 9 printed pages including the front page

QUESTION 1

REE Bhd is a trading company which suffered huge losses for several years. It has been unable to pay its trade payables on time due to slow collection of amounts due to the trade receivables. Given below is the statement of financial position of REE BHD as at 31 December 2025.

	RM	RM
Non-Current Assets		
Land and Building		735,000
Investment at cost		180,000
Patent		90,000
		1,005,000
Current Assets		
Inventories	112,500	
Trade Receivables	292,500	
		405,000
Total Assets		**1,410,000**
Financed by:		
Ordinary share capital issued at RM1.00 each		1,125,000
10% Preference share capital issued at RM1.00 each		375,000
Accumulated loss		(555,000)
Non-Current Liabilities		
10% Debentures		150,000
Current Liabilities		
Trade payables	180,000	
Loan from directors	36,000	
Bank overdraft	99,000	
		315,000
Total Equity and Liabilities		**1,410,000**

Notes:

(i) The preference dividend is 3 years in arrears.
(ii) There is a contingent liability of RM30,000.

The company had formulated a scheme of capital reduction, which has been approved to take effect on 1 January 2026. The capital reduction scheme contained the following provisions:

1. The existing ordinary shares and 10% preference shares are to be written down by RM0.50 and RM0.25 respectively.

2. The preference shareholders agreed to accept one ordinary share for every RM1.00 preference dividend in arrears.

3. RM7,500 of the inventories and 10% of trade receivables are to be written off.

4. A piece of land costing RM60,000 is revalued to RM150,000 and transferred to 10% debenture holders as full settlement of amount due to them. The remaining buildings are revalued to RM765,000.

5. The profit and loss and patent balances are to be written off.

6. The investment is sold for RM120,000.

7. 300,000 ordinary shares and 150,000 10% preference shares are issued at RM0.50 and RM0.75 each respectively to raise cash. The amount received is to be used to settle both the loan from directors and amounts due to trade payables in full.

8. The contingent liability materialized at RM26,250.

Required:

a. Show journal entries to record the transactions stated in additional information 1 to 8.

(13 marks)

b. Prepare the statement of financial position as at 1 January 2026.

(7 marks)

(Total: 20 marks)

QUESTION 2

Jeely Bhd. agreed to acquire Xton Bhd. The following are the statements of financial position of Jeely Bhd. and Xton Bhd. as at 31 December 2025:

	Jeely Bhd. RM	Xton Bhd. RM
Assets:		
Building	525,000	300,000
Office equipment (NBV)	375,000	75,000
Furniture and fittings (NBV)	90,000	52,500
Inventories	37,500	30,000
Trade receivables	30,000	22,500
Bank	15,000	12,000
	1,072,500	492,000
Equity and Liabilities:		
Ordinary shares of RM1 each	750,000	375,000
Preference shares of RM1 each	75,000	67,500
Retained earnings	60,000	26,250
	885,000	468,750
Trade payable	187,500	23,250
	1,072,500	492,000

Additional Information:

i. Jeely Bhd. took over all the assets (except bank) and liabilities of Xton Bhd. at the following values.

	RM
Building	412,500
Office equipment	60,000
Furniture and fittings	37,500
Inventories	22,500
Trade receivables	16,500

ii. The consideration transferred would consist of the following:
   a. 375,000 ordinary shares at RM1
   b. 112,500 preference shares at RM1
   c. Sufficient cash

iii. The dissolution expenses of RM1,350 was paid by Jeely Bhd.

iv. Estimation of goodwill from acquisition was RM14,250.

v. The formation expenses incurred and paid by Jeely Bhd. amounted RM6,750.

vi. After acquisition, the company issued 60,000 ordinary shares at RM1.

Required:

a. Compute the purchase price and purchase consideration.

(6 marks)

b. Prepare the Realisation account, Bank account, Jeely Bhd account and Sundry Members' account to close the books of Xton Bhd.

(10 marks)

c. Prepare journal entries in the books of Jeely Bhd

(9 marks)

(Total: 25 marks)

QUESTION 3

The following are the Statement of Financial Position of Hanan Bhd. and its subsidiary, Sabran Bhd. as at 31 March 2026:

	Hanan Bhd.	Sabran Bhd.
Non current asset	**RM**	**RM**
Land	1,200,000	2,840,000
Plant and machinery (carrying amount)	1,200,000	600,000
Furniture and fixtures (carrying amount)	600,000	680,000
Investment in Sabran Bhd.:		
Ordinary shares	3,400,000	
8% debentures	200,000	
Current assets		
Accounts receivable	200,000	200,000
Debenture interest receivable	16,000	
Bills receivable		160,000
Bank	299,000	124,000
Inventory	420,000	320,000
	7,535,000	4,924,000
Equity and liabilities		
Ordinary shares of RM2 each	4,800,000	
Ordinary shares of RM1 each		2,000,000
9% preference shares of RM1 each		500,000
General reserve	1,400,000	400,000
Retained profits	980,000	560,000
8% debentures		800,000
Bills payable	95,000	
Accounts payable	260,000	280,000
Bank overdraft		320,000
Debenture interest payable		64,000
	7,535,000	4,924,000

Additional information:

1. Hanan Bhd. bought 1,500,000 ordinary shares and RM200,000 8% debentures in Sabran Bhd. on 1 April 2024 when the balances in Sabran Bhd. were as follows:

	RM
General reserve	240,000
Retained profits	80,000

2. Non-controlling interest on the acquisition date of Sabran Bhd. was measured at fair value of RM500,000.

3. During the year ended 31 March 2026, Sabran Bhd. sold inventories valued at RM200,000 to Hanan Bhd. at a profit of 25% on selling price. Half of these inventories remained unsold by Hanan Bhd.

4. At the date of acquisition, the land of Sabran Bhd. was valued at RM3,080,000. Sabran Bhd. had also revalued its furniture and fixtures at RM800,000. The group has provided depreciation on the furniture and fixtures at 20% on its carrying value. Sabran Bhd. has not adjusted its account to reflect the new value.

5. RM45,000 of the bills payable of Hanan Bhd. are in favour of Sabran Bhd. Sabran Bhd. has discounted one third (1/3) of these bills.

6. On 6 April 2025, Hanan Bhd. sold machinery to Sabran Bhd. for RM90,000. The carrying value of the machinery on that date was RM75,000. The remaining useful life of the machine was 3 years.

7. On 24 March 2026, the board of directors has proposed the following dividends for the companies:

	Ordinary dividend RM	Preference dividend RM
Hanan Bhd.	182,800	
Sabran Bhd.	72,000	Full year

8. Hanan Bhd. has taken credit its share of interest receivable from Sabran Bhd.

Required

Prepare the Consolidated Statement of Financial Position of Hanan Bhd. and its subsidiary Sabran Bhd. as at 31 March 2026.

(Total: 30 marks)

QUESTION 4

Bidong Bhd. acquired 75% ordinary shares at RM1.00 each and 40% 12% preference shares of RM1.00 in Mamutik Bhd. on 1 May 2024, when the retained profit of Mamutik Bhd. stood at RM30,000 debit balance. The following are the Statement of Profit or Loss and Other Comprehensive Income for both companies.

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 April 2026

	Bidong Bhd.	Mamutik Bhd.
	RM	RM
Turnover	600,000	400,000
Cost of sales	(250,000)	(220,000)
Gross profit	350,000	180,000
Administration expenses	(62,000)	(58,000)
Distribution expenses	(44,000)	(38,000)
Gain on disposal — motor vehicle	5,000	-
Income from investment	53,650	
Profit before taxation	302,650	84,000
Taxation	(67,500)	(21,000)
Profits after taxation	235,150	63,000
Retained profit 1 May 2025	102,400	42,000
Preference dividend paid	20,000	12,000
Ordinary dividend paid	60,000	15,000

Additional information:

1. The share capital information on 1 May 2024 was as follows:

	Bidong Bhd.	Mamutik Bhd.
	RM	RM
Ordinary shares at RM1.00 each	1,000,000	500,000
12% preference shares at RM1 each	-	100,000
10% preference shares at RM2 each	200,000	-

2. During the year, Bidong Bhd. sold motor vehicle to Mamutik Bhd. at RM85,000 (carrying value RM90,000). The remaining useful life of the motor vehicle was 5 years. The motor vehicle was depreciated based on cost and will be charged under distribution expenses.

3. Mamutik Bhd. sold RM128,000 of the inventories to Bidong Bhd. at profits of RM16,000. At the end of the year, only one-quarter (1/4) of the inventories have been sold.

4. Bidong Bhd. had received full share of profits of ordinary dividend from Mamutik Bhd. and received half year preference dividend from Mamutik Bhd. These dividends have been recorded under income from investment.

Required:

a. Prepare the Consolidated Statement of Profit or Loss of Bidong Bhd. and its subsidiary Mamutik Bhd. for the year ended 30 April 2026. (Show all workings)

(15 marks)

b. Prepare the Consolidated Statement of Changes in Equity (extract) for the year ended 30 April 2026, showing the group retained profit and the non-controlling interest

(10 marks)

(Total: 25 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER