UNIVERSITI POLY-TECH MALAYSIA
UPTM

FINAL EXAMINATION

BACHELOR OF ACCOUNTANCY (HONOURS)

COURSE	**: CONSOLIDATED FINANCIAL REPORTING II**
COURSE CODE	**: ACC4304**
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
   ii. An Answer Booklet

4. Do not bring any material into the examination hall. Electronic 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

The following are Statements of Financial Position as at 31 December 2025:

	Awan Bhd. RM Million	Langit Bhd. RM Million	Mentari Bhd. RM Million
Freehold land and building	6,140	4,130	3,040
Plant and equipment	5,232	2,442	1,898
Investments at cost:			
Langit Bhd.	6,944		
Mentari Bhd.	2,182		
Inventories	1,550	484	272
Trade and other receivables	1,290	334	210
Bank	596	1,538	1,264
	23,934	8,928	6,684
Ordinary shares of RM1	17,856	7,940	5,460
10% preference shares of RM1 each	1,488	442	
Retained profit	1,116	272	332
Trade and other payables	3,474	274	892
	23,934	8,928	6,684

Additional information:

i. On 1 January 2021, Awan Bhd. purchased 5,558 million ordinary shares of Langit Bhd. On that date, the retained profit of Langit Bhd. was RM186 million. There has been no change in the issued share capital of Langit Bhd. The fair value of a piece of land of Langit Bhd. was RM20 million more than the carrying value on 1 January 2021.

ii. On 1 January 2022, Awan Bhd. acquired 1,365 million ordinary shares of Mentari Bhd. when Mentari Bhd.'s retained profit was RM124 million. There has been no change in the issued share capital of Mentari Bhd. The fair value of plant of Mentari Bhd. was RM60 million more than the carrying value on 1 January 2022. The remaining life of the plant was 6 years.

iii. During the year, Awan Bhd. sold inventories to Langit Bhd. at invoice price of RM1,628 million at cost plus 10%. At the same time, Awan Bhd. also sold inventories costing RM669 million to Mentari Bhd. at invoice price of RM597million. At the end of the year, Langit Bhd. has not sold a quarter of these goods whilst Mentari Bhd. has not sold any of these goods. Receivables and payables are settled, while unrealised profit in inventory remains to be adjusted.

iv. Included in the trade and other receivables of Awan Bhd. was RM210 million due from Mentari Bhd.

v. The recoverable amount of the investment in Mentari Bhd. is less than the carrying amount of the investment by RM112 million.

vi. The non-controlling interest is measured in proportion to the fair value of the net assets of subsidiary.

Required:

a. Prepare schedule to compute goodwill, non-controlling interest, group retained profit and balance of associate company.

(18 marks)

b. Prepare the Consolidated Statement of Financial Position as at 31 December 2025.

(7 marks)

(Total: 25 marks)

QUESTION 2

On 1 January 2025, Sixcent Bhd. acquired 85% of the issued ordinary share capital of Xiaomo Ltd., which is situated in Guangdong, China where the currency is Chinese Yuan (CNY). The reserves of Xiaomo Ltd. on 1 January 2025 were CNY19,584,000. The functional currency of Sixcent Bhd. and Xiaomo Ltd. is Ringgit Malaysia (RM). The statements of profit or loss for the year ended 31 December 2025 and the statements of financial position as at that date for Sixcent Bhd. and Xiaomo Ltd. were as follows :

Statements of Profit or Loss for the Year ended 31 December 2025

	Sixcent Bhd.		Xiaomo Ltd.	
	RM'000	RM'000	CNY'000	CNY'000
Sales		86,904		27,540
Opening inventory	6,732		2,448	
Purchases	42,840		10,404	
	49,572		12,852	
Closing inventory	(6,732)		(3,060)	
Cost of sales		(42,840)		(9,792)
Gross profit		44,064		17,748
Expenses	9,180		7,344	
Depreciation	6,732	(15,912)	7,956	(15,300)
Net profit		28,152		2,448

Statements of Financial Position as at 31 December 2025

	Sixcent Bhd.	Xiaomo Ltd.
	RM'000	CNY'000
Property, plant, and equipment	52,020	37,944
Investment in Xiaomo Ltd.	21,420	
Inventory	6,732	3,060
Trade receivables	16,524	5,508
Bank	5,508	4,284
	102,204	50,796
Ordinary shares	42,840	21,420
Retained profit b/d	25,092	19,584
Retained profit for the year	28,152	2,448
Non-current loan	4,896	5,508
Trade payables	1,224	1,836
	102,204	50,796

Rates of exchange	CNY	RM
1 January 2025	3.1	1
Average rate for year	3.3	1
31 December 2025	3.6	1
Date closing inventory was purchased	3.3	1
Date opening inventory was purchased	3.1	1
1 January 2020 (date of acquisition of PPE)	3.1	1

Required:

a. Prepare translated Statement of Financial Position as at 31 December 2025 and translated Statement of Profit or Loss for the year ended 31 December 2025 of Xiaomo Ltd.

(19 marks)

b. Prepare schedule to calculate the goodwill on consolidation, non-controlling interest and group's retained profit for the group.

(6 marks)

(Total: 25 marks)

QUESTION 3

Given below are the statements of profit or loss of Granite Bhd. and Marble Bhd. for the year ended 31 December 2025.

	Granite Bhd. RM	Marble Bhd. RM
Revenue	5,548,250	4,586,875
Cost of sales	(1,895,400)	(2,237,625)
Operating expenses	(1,421,550)	(710,775)
Operating profit	2,231,300	1,638,475
Gain on disposal of assets	-	20,000
Profit before taxation	2,231,300	1,658,475
Taxation	(552,825)	(394,875)
Profit after taxation	1,678,475	1,263,600
Dividends paid	710,775	Nil

Additional information:

i. Issued and paid-up share capital of Marble Bhd. was RM5,790,000 made up of 5,790,000 ordinary shares.

ii. Granite Bhd. acquired 3,474,000 shares in Marble Bhd. for RM5,796,000 on 1 January 2022 when the retained profits of Marble Bhd. were RM197,400.

iii. On 1 August 2025, Granite Bhd. acquired another 1,737,000 of the ordinary shares of Marble Bhd. for RM2,025,000.

iv. Investments are carried at cost by Granite Bhd. as allowed by MFRS 127.

v. Non-controlling interest is measured in proportion to the fair value of the net assets of Marble Bhd.

vi. Marble Bhd. sold a piece of land to Granite Bhd. on 1 January 2025 for RM620,000, which had a carrying amount of RM600,000. Ignore any tax implications of this adjustment.

vii. The issued share capital of Granite Bhd. is made up of 10,500,000 ordinary shares of RM1 each. The only reserve of Granite Bhd. was retained profits.

viii. On 1 January 2025, Marble Bhd. sold goods to Granite Bhd. at an invoice price of RM390,000. These goods were sold to Granite Bhd. at cost plus 30% markup, with 30% remaining in Granite Bhd.'s inventory. Receivables and payables are settled, while unrealised profit in inventory remains to be adjusted.

ix. The retained profit of Granite Bhd. and Marble Bhd. as at 31 December 2024 are RM922,500 and RM553,500 respectively.

Required:

a. Determine the reduction in non-controlling interest and the double entries to record gain or loss on second acquisition.

(7 marks)

b. Prepare the Consolidated Statement of Profit or Loss for the year ended 31 December 2025.

(10 Marks)

c. Prepare the Consolidated Statement of Changes in Equity for the year ended 31 December 2025.

(All answers must be rounded to the nearest figure)

(8 marks)

(Total: 25 marks)

QUESTION 4

Rimba Bhd. has several investments in subsidiary and associate entities. The Consolidated Statement of Financial Position of the group as at 31 December 2025 and 2024 are shown as follows:

Consolidated Statements of Financial Position as at 31 December

	2024 RM'000	2025 RM'000
Ordinary shares of RM1 each	17,510	20,736
Retained profit	9,216	18,156
Non-controlling interest	5,530	3,686
	32,256	42,578
Tax payable	460	230
Dividends payable	1,844	2,304
Trade payables	3,226	2,996
Bank overdraft	1,382	
	39,168	48,108
Non-current assets	26,036	31,980
Investment in Associate	3,686	4,376
Inventory	5,530	4,148
Trade receivables	3,916	3,226
Bank		4,378
	39,168	48,108

Additional information:

i. On 26 May 2025, Rimba Bhd. disposed of its 80% owned subsidiary Senduduk Bhd. for RM12,672,000. The sales price was settled in cash. On that date, the net assets of Senduduk Bhd. were as follows:

	RM'000
Non-current assets	9,220
Inventory	920
Trade receivables	460
Bank	1,384
Trade payables	464

ii. Profit before tax for the current year includes depreciation charge of RM1,614,000, interest charged on bank overdraft of RM50,000, gain on the sale of subsidiary and gain on disposal of non-current assets.

iii. All goodwill on consolidation has been written off.

iv. During the year, a plant was sold for RM4,608,000 realizing a net profit of RM983,000. In addition, Rimba Bhd. has acquired a new machine at the fair value of RM1,280,000 and the acquisition was resolved through the issuance of ordinary shares.

v. In 2025, Rimba Bhd. acquired 28% interest in another associate by way of payment of cash of RM384,000.

vi. Dividends of RM2,304,000 were declared by Rimba Bhd. during the year.

vii. The Consolidated Statement of Comprehensive Income of Rimba Bhd. Group for the year ended 31 December 2025 is as follows:

	RM'000
Profit before tax (including gain on disposal of subsidiary)	13,824
Share of profits of associate	922
	14,746
Tax - Rimba and subsidiary	(2,304)
Profit after tax	12,442
Profit after tax attributable to:	
Equity holders of Rimba Bhd.	11,244
Non-controlling interest	1,198
Profit after tax	12,442

Required:

Prepare the Consolidated Statement of Cash Flows for the year ended 31 December 2025 using **indirect method.**

(Total: 25 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER