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:

	Prima Bhd. RM Million	Dinamik Bhd. RM Million	Aurora Bhd. RM Million
Freehold land and building	5,986	3,610	2,470
Plant and equipment	4,608	2,186	1,616
Investments at cost:			
Dinamik Bhd.	6,280		
Aurora Bhd.	1,806		
Inventories	1,378	494	266
Trade and other receivables	1,016	286	180
Bank	590	1,378	1,140
	21,664	7,954	5,672
Ordinary shares of RM1	15,200	6,650	4,560
10% preference shares of RM1 each	1,330	380	
Retained profit	1,102	248	304
General reserves	42	20	
Trade and other payables	3,990	656	808
	21,664	7,954	5,672

Additional information:

i. On 1 January 2021, Prima Bhd. purchased 5,985 million ordinary shares of Dinamik Bhd. On that date, the retained profit and the general reserves of Dinamik Bhd. were RM190 million and RM10 million respectively. There has been no change in the issued share capital of Dinamik Bhd.

ii. Prima Bhd. has a 25% interest in Aurora Bhd. as from 1 January 2022 when the retained profit of Aurora Bhd. was RM114 million. Fair value of plant of Aurora Bhd. was RM54 million more than the carrying value on 1 January 2022. The remaining life of the plant was 6 years.

iii. During the year, Prima Bhd. sells goods costing RM1,716 million to Dinamik Bhd. at an invoice price of RM1,500 million. At the same time, Prima Bhd. also sells goods to Aurora Bhd.at an invoice price of RM828 million at cost plus 15%. At the end of the year, Dinamik Bhd. had not sold a quarter of these goods, while Aurora Bhd. had not sold any of the goods. Receivables and payables are settled, while unrealised profit in inventory remains to be adjusted.

iv. Included in the trade and other receivables of Prima Bhd. was RM180 million due from Aurora Bhd.

v. On 31 December 2025, goodwill arising from the acquisition of Dinamik Bhd. was impaired by RM20 million.

vi. The recoverable amount of the investment in Aurora Bhd. is less than the carrying amount of the investment by RM96 million.

vii. 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.

(19 marks)

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

(6 marks)

(Total: 25 marks)

QUESTION 2

On 1 January 2025, SeriPagi Bhd. acquired 90% of the issued ordinary share capital of Serasa Bhd., which is situated in Kuala Belait, Brunei where the currency is Brunei Dollar (BND). The reserves of Serasa Bhd. on 1 January 2025 were BND15,360,000. The statements of profit or loss for the year ended 31 December 2025 and the statements of financial position as at that date for SeriPagi Bhd. and Serasa Bhd. were as follows:

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

	SeriPagi Bhd.		Serasa Bhd.	
	RM'000	RM'000	BND'000	BND'000
Sales		89,600		32,000
Opening inventory	9,600		2,560	
Purchases	48,000		15,360	
	57,600		17,920	
Closing inventory	(10,240)		(2,720)	
Cost of sales		(47,360)		(15,200)
Gross profit		42,240		16,800
Expenses	11,200		7,680	
Depreciation	6,400	(17,600)	5,120	(12,800)
Net profit		24,640		4,000

Statements of Financial Position as at 31 December 2025

	SeriPagi Bhd.	Serasa Bhd.
	RM'000	BND'000
Property, plant and equipment	44,800	33,600
Investment in Serasa Bhd.	19,200	
Inventory	10,240	2,720
Trade receivables	14,400	6,400
Bank	6,400	4,480
	95,040	47,200
Ordinary shares	38,400	20,480
Retained profit b/d	27,200	15,360
Retained profit for the year	24,640	4,000
Non-current loan	3,200	5,760
Trade payables	1,600	1,600
	95,040	47,200

Rates of exchange	BND	RM
1 January 2025	5	1
Average rate for year	5.5	1
31 December 2025	6	1
Date closing inventory was purchased	5.5	1
Date opening inventory was purchased	5	1
1 January 2020 (date of acquisition of PPE)	5	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 Serasa Bhd.

(19 marks)

b. Prepare schedule to calculate the goodwill on consolidation, non-controlling interest and group's retained profit for the group if the subsidiary's functional currency is the ringgit.

(6 marks)

(Total: 25 marks)

QUESTION 3

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

	Marina Bhd. RM	Orca Bhd. RM
Revenue	4,374,000	3,645,000
Cost of sales	(1,458,000)	(1,749,600)
Operating expenses	(1,166,400)	(583,200)
Operating profit	1,749,600	1,312,200
Other income: Lease rental	30,000	-
Profit before taxation	1,799,600	1,312,200
Taxation	(437,400)	(291,600)
Profit after taxation	1,342,200	1,020,600
Dividends paid	583,200	Nil
Retained profits b/f	729,000	437,400

Additional information:

i. The issued share capital of Marina Bhd. is made up of 5,800,000 ordinary shares of RM1 each. The only reserve of Marina Bhd. was retained profits.

ii. Issued and paid-up share capital of Orca Bhd. was RM4,360,000, made up of 4,360,000 ordinary shares.

iii. Marina Bhd. acquired 3,052,000 shares in Orca Bhd. for RM3,646,000 on 1 January 2021 when the retained profits of Orca Bhd. were RM146,000.

iv. On 1 June 2025, Marina Bhd. acquired another 654,000 of the ordinary shares of Orca Bhd. for RM820,000.

v. Investments are carried at cost by Marina Bhd. as allowed by MFRS 127.

vi. On 1 January 2025, Marina Bhd. recorded sales to Orca Bhd. totaling RM1,522,500. These goods were invoiced at cost plus a 16% markup. Orca Bhd. still has 80% of these goods in stock. Receivables and payables are settled, while unrealised profit in inventory remains to be adjusted.

vii. Marina Bhd. charged Orca Bhd. lease rental of RM30,000 during the year in respect of a special machine leased to Orca Bhd., with the lease commencing on 1 January 2025. The amount paid by Orca Bhd. is included in its operating expenses. Ignore any tax implications of this adjustment.

viii. Depreciation on property, plant and equipment of RM36,000 was omitted in Orca Bhd.'s accounts and needs to be adjusted. Ignore any tax implications of this adjustment.

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

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.

(8 marks)

(All answers must be rounded to the nearest figure)

(Total: 25 marks)

QUESTION 4

Ganymede Bhd. is an established consumer goods company that was incorporated in Malaysia in 2020. It began its operations as a small business serving the local market. Over time, the company expanded its operations by acquiring subsidiaries and associates to strengthen and widen its nationwide distribution network. Its main activities include the selling and distribution of soft drinks to customers across Malaysia.

On 16 June 2025, Ganymede Bhd. disposed of its 90% owned subsidiary Titan Bhd. for RM13,068,000. The sale price was settled in cash. On that date, the net assets of Titan Bhd. were as follows:

	RM'000
Non-current assets	9,504
Inventory	950
Trade receivables	476
Bank	1,426
Trade payables	360
Tax payable	76
Dividend payable	40

Given below are the group financial statements of Ganymede Bhd.

Consolidated Statements of Financial Position as at 31 December

	2024 RM'000	**2025 RM'000**
Ordinary shares of RM1 each	18,058	21,384
Retained profit	9,504	18,722
Non-controlling interest	5,702	3,806
	33,264	43,912
Tax payable	476	242
Dividends payable	1,900	2,376
Trade payables	3,326	2,596
Bank overdraft		2,992
	38,966	52,118
Non-current assets	24,948	40,040
Investment in Associate	3,802	4,510
Inventory	5,702	4,268
Trade receivables	3,564	3,300
Bank	950	
	38,966	52,118

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2025

	RM,000
Profit before tax (including gain on disposal of subsidiary)	14,256
Share of profits of associate	950
	15,206
Tax - Ganymede and subsidiary	(2,376)
Profit after tax	12,830
Profit after tax attributable to	
- Equity holders of Ganymede Bhd.	11,594
- Non-controlling interest	1,236
Profit after tax	12,830
Dividends proposed and provided by Ganymede Bhd.	2,376

The following transactions took place during the year:

i. Profit before tax includes depreciation charge of RM1,663,200, gain on the sale of subsidiary and gain on disposal of non-current assets.

ii. Ganymede Bhd. has acquired a new equipment at the fair value of RM704,000 and the acquisition was resolved through the issuance of ordinary shares. In addition, a plant with a carrying amount RM3,801,600 were sold for cash of RM4,752,000.

iii. All goodwill on consolidation has been written off.

iv. Ganymede Bhd. acquired 30% interest in another associate by way of payment of cash of RM300,000.

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