UNIVERSITI POLY-TECH MALAYSIA UPTM

FINAL EXAMINATION

DIPLOMA OF ACCOUNTANCY

COURSE	:	**INTERMEDIATE FINANCIAL REPORTING AND MFRS / INTERMEDIATE FINANCIAL REPORTING**
COURSE CODE	:	**ACC2043/ACC2223**
DURATION	:	**2 HOURS**

INSTRUCTIONS TO CANDIDATES:

1. This question paper consists of **THREE (3)** 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. 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 6 printed pages including the front page

QUESTION 1

A. HLC Bhd, a renowned public listed company based in Kuala Selangor, operates in the metal manufacturing, specializing in the production of construction metals. On 18 September 2025, the company decided to upgrade its production capabilities by acquiring new hi-tech machines. The supplier quoted an invoice price of RM1,860,000. The supplier offered a cash discount equivalent to 6% of the invoice price.

In addition to the purchase cost, HLC Bhd incurred several other expenses to get the machine operational:

	RM
Handling costs	18,000
Installation and demonstration	27,000
Training costs	11,000
General administrative overheads	4,000
Annual cleaning and maintenance costs	15,800

HLC Bhd depreciates its machine at 8% on cost, calculated on monthly basis. The company expected to use the machine for 12 years. The company closes its books on 31 December each year.

Required:

i. Discover whether the new hi-tech machines are qualified as assets under MASB conceptual framework.

(4 marks)

ii. Discover whether the new hi-tech machines qualified as property, plant and equipment in accordance to *MFRS 116 Property, Plant and Equipment.*

(6 marks)

iii. Compute the initial measurement for the new hi-tech machines.

(9 marks)

iv. The new hi-tech machines were scheduled for routine maintenance service on half yearly basis. During the service, the nozzles of the machine will be replaced to maintain its efficiencies. Demonstrate the accounting treatment for cost incurred when replacing the nozzles of the high-tech machines in its accounting books.

(6 marks)

B. On 1 May 2022 HLC Bhd purchased a plant at a cost of RM28,000,000. The plant was depreciated on a straight-line basis over an estimated useful life 35 years, charging a full year depreciation in the year of purchase and none year of disposal. On 1 Jan 2025, the plant is revalued upward by professional valuers at RM30,000,000.

Required:

i. Compute the amount of revaluation reserve as at 31 December 2025.

(7 marks)

ii. Illustrate the accounting treatment for the revaluation reserve.

(3 marks)

(Total: 35 marks)

QUESTION 2

Nandiji Sdn Bhd, a leading manufacturing company located in Kuala Lumpur, received a government grant on 25 February 2025 to support its expansion efforts. The grant totaled RM240,000 and was remarked for the acquisition of specialized machinery costing RM850,000.

Nandiji Sdn Bhd follows a policy of recognizing government grants using the 'deferred income' method. Additionally, the company depreciates its machinery over a 10-year period using the straight-line method on yearly basis.

Required:

i. Show the journal entries to record the above transactions for the year ended 31 December 2025. **(narrations are not required)**

(8 marks)

ii. Prepare Statement of Profit or Loss (extract) for the year ended 31 December 2025 and a Statement of Financial Position (extract) as at 31 December 2025.

(4 marks)

iii. Compute the carrying amount of the machine on 31 December 2025, If the company decides to adopt the 'write-off' method,

(3 marks)

(Total: 15 marks)

QUESTION 3

Asloka Bhd is an experienced consumer products company. The financial year of Asloka Bhd ends on 31 December each year. Given below is the trial balance as at 31 December 2025.

	DR (RM)	CR (RM)
Sales		751,630,000
Cost of sales	375,000,000	
Administrative expenses	84,000,000	
Distribution costs	52,000,000	
Directors' remuneration	85,000,000	
Finance expenses	1,370,000	
Investment income		265,000,000
Trade payables		28,624,000
Tax paid	11,000,000	
Ordinary share capital		281,000,000
Retained earnings as at 1 January 2025		94,041,000
Long term loan from Bank of Singapore		26,376,000
Non-current assets at cost:		
Land	227,000,000	
Buildings	210,000,000	
Plant and machinery	193,000,000	
Accumulated depreciation at 1January 2025:		
Buildings		42,000,000
Plant and machinery		38,600,000
Investments	163,000,000	
Inventories	47,230,000	
Trade receivables	55,000,000	
Allowance for impairment for trade receivable		1,650,000
Bank	25,321,000	
	1,528,921,000	1,528,921,000

Additional information:

1. Included in the revenue figure was credit sales of RM3,500,000 worth of goods which was delivered on 8 January 2026. These goods were included in the closing inventory.

2. On 21 December 2025, one of Asloka Bhd clients who owes RM320,000 was declared bankrupt. It was very unlikely Asloka Bhd would be able to collect any money from the client.

3. During the year, non-current assets were depreciated as follows:

Building	4% on cost
Plant and Machinery	6% on carrying value

   Land was revalued to RM239,000,000 and the directors decided to incorporate this amount into the accounts.

4. The net realisable value of the inventories held as at the year ended 31 December 2025 was valued at RM42,000,000.

5. A long-term loan of SGD8,400,000 was taken from Bank of Singapore. The spot rate on that date was RM3.14: SGD1. The closing rate on 31 December 2025 was RM3.30: SGD1.

6. The tax charged for the year was determined to be RM12,500,000.

Required:

Prepare the following financial statements in a form suitable for publication in accordance with the companies Act 2016 and MFRS101 Presentation of Financial Statements and other relevant Malaysia Financial Reporting Standards:

i. Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2025.

(20 marks)

ii. Statement of Changes in Equity for the year ended 31 December 2025.

(5 marks)

iii. Statement of Financial Position as at 31 December 2025.

(15 marks)

iv. Notes to the above account for property, plant and equipment.

(10 marks)

(Total: 50 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER