FINAL EXAMINATION

BACHELOR OF CORPORATE ADMINISTRATION (HONOURS)

COURSE	:	**ADVANCED FINANCIAL ACCOUNTING AND REPORTING**
COURSE CODE	:	**ACC4343**
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. 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 8 printed pages including the front page

QUESTION 1

Seri Bhd agreed to be absorbed by Sejati Bhd on 1 July 2025. The statements of financial position of both companies as at 30 June 2025 were as follows:

	Seri Bhd (RM)	Sejati Bhd (RM)
Land & Building	420,000	280,000
Motor Vehicles (carrying value)	52,000	44,000
Plant & Machinery (carrying value)	148,000	63,000
Furniture & Fittings (carrying value)	19,500	13,500
Inventories	16,000	15,200
Trade Receivables	8,500	14,000
Bank	4,000	–
Total Assets	**668,000**	**429,700**
Ordinary Share Capital	450,000	180,000
6% Preference Share Capital	–	120,000
General Reserve	80,000	72,000
Retained Profit	28,000	28,700
7% Debentures	60,000	–
Trade Payables	50,000	17,000
Bank Overdraft	–	12,000
Total Equity & Liabilities	**668,000**	**429,700**

Additional Information

1. Sejati Bhd took over all the assets (except bank) and liabilities of Seri Bhd.

2. The consideration was:
   - 450,000 ordinary shares of RM1 each in Sejati Bhd
   - RM28,000 in 7% debentures issued by Sejati Bhd
   - Cash payment of RM150,000.

3. The assets of Seri Bhd were revalued as follows:

	RM
Land & Building	460,000
Motor Vehicles	48,000
Plant & Machinery	135,000
Inventories	15,000
Trade Receivables	7,500

4. Liquidation expenses of Seri Bhd were RM1,500 and were borne by Seri Bhd.

Required:

a. Calculate the purchase consideration paid by Sejati Bhd for Seri Bhd and determine the goodwill or bargain purchase arising.

(10 marks)

b. Close the books of Seri Bhd by preparing the following accounts:
   i. Realisation Account
   ii. Sundry Members Account
   iii. Sejati Bhd Account
   iv. Bank Account

(15 marks)

(Total: 25 marks)

QUESTION 2

Perwajaku Bhd found itself in financial difficulty and decided to reorganize its capital structure. The statement of financial position as at 30 June 2025 was as follows:

	RM
Issued and Paid-up Capital	
1,200,000 ordinary shares of RM1 each	1,200,000
150,000 10% cumulative preference shares of RM1 each	150,000
Accumulated losses	(220,000)
Total Equity	1,130,000
Current Liabilities	
Trade Payables	55,000
Loan from Directors	30,000
Bank Overdraft	25,000
Total Equity & Liabilities	1,240,000
Non-current Assets	
Goodwill	12,000
Land & Building	800,000
Motor Vehicles	150,000
Fixtures & Fittings	90,000
Investments	70,000
Current Assets	
Inventories	48,000
Trade Receivables	52,000
Cash in Hand	18,000
Total Assets	1,240,000

Notes:
1. Preference dividends in arrears amounted to RM20,000.
2. A contingent liability of RM10,000 had to be settled immediately.

Approved Scheme of Capital Reduction

The following scheme was duly approved and implemented in order to reorganize the company's capital structure and restore its financial position:

i. Ordinary shares were reduced by RM0.80 per share; preference shares were reduced by RM0.20 per share.
ii. The directors' loan was settled by issuing 60,000 new ordinary shares at the new par value.
iii. The contingent liability was fully paid in cash.
iv. The following assets were revalued:

	RM
Land & Building	860,000
Fixtures & Fittings	70,000
Inventories	30,000
Trade Receivables	40,000

v. Goodwill and accumulated losses were written off.
vi. Preference shareholders agreed to accept ordinary shares at new par value to settle preference dividends in arrears.
vii. Investments were sold for RM75,000.
viii. Cost of reconstruction RM16,000.
ix. After reconstruction, the company issued 100,000 new ordinary shares at new par value to raise additional cash.

Required:

a. Prepare the necessary journal entries to record the above transactions.

(14 marks)

b. Prepare the Statement of Financial Position of Perwajaku Bhd after completion of the capital reduction scheme.

(11 marks)

(Total: 25 marks)

QUESTION 3

The following are the statements of financial position of Baiduri Bhd and Zamrud Bhd as at 30 June 2025:

	Baiduri Bhd (RM)	Zamrud Bhd (RM)
Land & Building	160,000	100,000
Other Non-current Assets	90,000	55,000
Investment in Zamrud Bhd (at cost)	280,000	–
Inventories	60,000	30,000
Trade Receivables	35,000	22,000
Bank	75,000	20,000
Total Assets	**700,000**	**227,000**
Ordinary Share Capital	500,000	120,000
8% Preference Shares	60,000	–
Retained Profits	70,000	43,000
Trade Payables	70,000	64,000
Total Equity & Liabilities	**700,000**	**227,000**

Additional Information:

i. On 1 July 2024, Baiduri Bhd acquired 90,000 out of 120,000 ordinary shares of Zamrud Bhd for RM280,000. At that date, the retained profits of Zamrud Bhd were RM20,000.

ii. During the year, Zamrud Bhd sold goods to Baiduri Bhd with a selling price of RM40,000. These goods were sold at a markup of 25% on cost. At year end, 25% of the goods remained unsold.

iii. On 1 Jan 2025, Baiduri Bhd sold land to Zamrud Bhd for RM85,000. The land had originally cost Baiduri Bhd RM60,000. Zamrud Bhd still holds the land at year end.

iv. On 15 June 2025, both companies declared dividends as follows:

	Baiduri Bhd RM	Zamrud Bhd RM
Ordinary share dividend	30,000	9,000
Preference share dividend	4,800	

v. Goodwill on consolidation is to be tested annually. Impairment was estimated at RM5,000.

Required

From the above information, prepare the Consolidated Statement of Financial Position of Baiduri Group as at 30 June 2025.

(Total: 25 marks)

QUESTION 4

The following items relate to Uranus Bhd and Neptune Bhd Uranus Bhd had the following balances as at 1 July 2024:

	(RM)
5,500,000 ordinary shares	5,500,000
1,200,000 6% cumulative preference shares	1,200,000
Retained profit	320,000
5% loan notes	600,000

The following are the abridged Statements of Profit or Loss and Statement of Changes in Equity of Uranus Bhd and Neptune Bhd for the year ended 30 June 2025:

	Uranus Bhd (RM)	Neptune Bhd (RM)
Sales	4,200,000	3,250,000
Cost of sales	2,350,000	1,630,000
Gross profit	1,850,000	1,620,000
Operating expenses	480,000	330,000
Profit from operations	1,370,000	1,290,000
Interest on loan stock	18,000	–
Other interest expenses	270,000	640,000
Interest income from Neptune Bhd	10,000	–
Dividends from Neptune Bhd:		–
ordinary	96,000	
preference	36,000	–
Profit before tax	1,242,000	632,000
Taxation	230,000	155,000
Profit after tax	1,012,000	477,000

Statement of Changes in Equity (extract) for the year ended 30 June 2025:

	RM	RM
Retained profit at 1 July 2024	920,000	340,000
Ordinary dividend paid	150,000	115,000
Preference dividend paid	42,000	–
Retained Profit c/f	728,000	225,000

Additional Information

i. On 1 July 2024, Uranus Bhd acquired 3,600,000 ordinary shares out of Neptune Bhd's total 4,500,000 issued ordinary shares, together with 480,000 cumulative preference shares and RM250,000 loan stock of Neptune Bhd

ii. On that date, the fair value of a depreciable non-current asset of Neptune Bhd was RM120,000, while it carrying amount was RM90,000. The remaining useful life of the asset is 6 years. Neptune Bhd did not adjust its books for this fair value difference. Ignore deferred tax. Depreciation is included in operating expenses.

iii. Goodwill on consolidation attributable to the parent was computed at RM4,200, of which RM800 had been impaired in prior periods and RM1,100 relates to impairment for the current year.

iv. During the year, Neptune Bhd sold inventory to Uranus Bhd at a selling price of RM26,000. Neptune Bhd earns a markup of 12% on cost on such sales. Uranus Bhd had not sold any of these goods by year end. This is the first year of such intercompany trading.

Required:

Prepare the Consolidated Statement of Profit or Loss and an extract from the Consolidated Statement of Changes in Equity of Uranus Group for the year ended 30 June 2025.

(Total: 25 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER