UNIVERSITI POLY-TECH MALAYSIA
UPTM

FINAL EXAMINATION

BACHELOR OF CORPORATE ADMINISTRATION (HONOURS)

COURSE	**:**	**ADVANCE FINANCIAL ACCOUNTING AND REPORTING**
COURSE CODE	**:**	**ACC4343**
DURATION	**:**	**3 HOURS**

<u>INSTRUCTIONS TO CANDIDATES:</u>

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

Tulus Bhd. agreed to be absorbed by Harmoni Bhd. on 1 January 2024. The statements of financial position of both companies as at 31 December 2025 were as follows:

	Tulus Bhd. (RM)	Harmoni Bhd. (RM)
Land & Building	1,200,000	750,000
Office Equipment (net book value)	520,000	260,000
Furniture & Fittings (net book value)	180,000	120,000
Inventories	85,000	65,000
Trade Receivables	72,000	55,000
Bank	48,000	30,000
Total Assets	**2,105,000**	**1,280,000**
Ordinary Share Capital RM1 each	1,300,000	900,000
Preference Share Capital RM1 each	250,000	150,000
Retained Earning	110,000	70,000
	1,660,000	1,120,000
Trade Payables	445,000	160,000
Total Equity & Liabilities	**2,105,000**	**1,280,000**

Additional Information

1. Tulus Bhd. Took over all the assets (except banks) and liabilities of Harmoni Bhd. At the following values:

	Tulus Bhd. (RM)
Land & Building	720,000
Office Equipment	200,000
Furniture and Fittings	90,000
Inventories	55,000
Trade Receivables	40,000

2. The consideration was:
   - 700,000 ordinary shares at RM1
   - 150,000 preference shares at RM1
   - Sufficient cash
3. The dissolution expenses of RM3,500 was paid by Tulus Bhd.
4. The estimation of goodwill on acquisition was RM40,000.
5. The formation expenses incurred and paid by Tulus Bhd. amounted RM15,000.
6. After acquisition, the company issued 120,000 ordinary shares at RM1.

Required:

a. Calculate the purchase price and purchase consideration.

(6 marks)

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

(10 marks)

c. Prepare journal entries in the books of Tulus Bhd.

(9 marks)

(Total: 25 marks)

QUESTION 2

Gemilang Bhd. found itself in financial difficulty and decided to reorganize its capital structure. The statement of financial position as at 30 June 2024 was as follows:

Item	RM
Issued and Paid-up Capital	
1,500,000 ordinary shares of RM1 each	1,500,000
200,000 8% cumulative preference shares of RM1 each	200,000
Accumulated losses	(300,000)
Total Equity	1,400,000
Current Liabilities	
Trade Payables	65,000
Loan from Directors	40,000
Bank Overdraft	35,000
Total Liabilities	**1,540,000**
Non-current Assets	
Goodwill	18,000
Land & Building	950,000
Motor Vehicles	180,000
Fixtures & Fittings	120,000
Investments	90,000
Current Assets	
Inventories	60,000
Trade Receivables	68,000
Cash in Hand	54,000
Total Assets	**1,540,000**

Notes:

1. Preference dividends in arrears amounted to RM30,000.

2. A contingent liability of RM12,000 had to be settled immediately.

Approved Scheme of Capital Reduction

i. Ordinary shares were reduced by 70 sen per share; preference shares were reduced by 25 sen per share.
ii. The directors' loan was settled by issuing 80,000 new ordinary shares at the new par value.
iii. The contingent liability was fully paid in cash.
iv. The following assets were revalued:

Land & Building = RM1,000,000
Fixtures & Fittings = RM95,000
Inventories = RM45,000
Trade Receivables = RM50,000

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 RM85,000.

viii. Cost of reconstruction RM18,000.

xi. After reconstruction, the company issued 120,000 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 Gemilang Bhd. after completion of the capital reduction scheme.

(11 marks)

(Total: 25 marks)

QUESTION 3

The following are the statements of financial position of Rima Bhd. and Zeta Bhd. as at 31 December 2025:

	Rima Bhd. (RM)	Zeta Bhd. (RM)
Land & Building	210,000	130,000
Other Non-current Assets	120,000	70,000
Investment in Zeta Bhd. (at cost)	360,000	–
Inventories	85,000	45,000
Trade Receivables	52,000	28,000
Bank	93,000	34,000
Total Assets	**920,000**	**307,000**
Ordinary Share Capital	650,000	180,000
8% Preference Shares	90,000	–
Retained Profits	110,000	85,000
Trade Payables	70,000	42,000
Total Equity & Liabilities	**920,000**	**307,000**

Additional Information

1. On 1 January 2025, Rima Bhd. acquired 135,000 out of 180,000 ordinary shares of Zeta Bhd. for RM360,000. At that date, the retained profits of Zeta Bhd. were RM50,000.
2. During the year, Zeta Bhd. sold goods worth RM60,000 to Rima Bhd. at a markup of 20% on cost. At year end, 30% of these goods remained unsold.
3. On 1 July 2025, Rima Bhd. sold land to Zeta Bhd. for RM140,000. The land had originally cost Rima Bhd. RM100,000. Zeta Bhd. still holds the land at year end.
4. On 15 December 2025, both companies declared dividends as follows:
   Rima Bhd: Ordinary dividend RM45,000, Preference dividend RM5,400.
   Zeta Bhd: Ordinary dividend RM12,600.
5. Goodwill on consolidation is to be tested annually. For year ended 2025, impairment was estimated at RM8,000.

Required

From the above information, prepare the Consolidated Statement of Financial Position of Rima Group as at 31 December 2025.

(Total: 25 marks)

QUESTION 4

The following items relate to Leo Bhd. and Gemini Bhd. Leo Bhd. had the following balances as at 31 December 2024:

Item	Amount (RM'000)
6,000,000 ordinary shares	6,000
1,500,000 5% cumulative preference shares	1,500
Retained profit	450
6% loan notes	800

Given below are the abridged statements of profit or loss of Leo Bhd. and Gemini Bhd. for the year ended 31 December 2025:

	Leo Bhd. (RM'000)	Gemini Bhd. (RM'000)
Sales	4,800	3,600
Cost of sales	(2,700)	(1,980)
Gross profit	2,100	1,620
Operating expenses	(620)	(420)
Profit from operations	1,480	1,200
Interest on loan stock	100	(30)
Other interest expenses	(310)	(510)
Interest income from Gemini Bhd.	18	
Dividends from Gemini Bhd. – ordinary shares	120	
Dividends from Gemini Bhd. – preference shares	45	
Profit before tax	1,453	660
Taxation	(280)	(180)
Profit after tax	1,173	480
Retained profit at 1 January 2025	1,050	420
Ordinary dividend paid in 2025	(210)	(135)
Preference dividend paid		(54)

On 1 January 2025, Leo Bhd. acquired 4,200,000 ordinary shares, 600,000 cumulative preference shares and RM300,000 loan stock of Gemini Bhd.

On that date, the fair value of a depreciable non-current asset of Gemini Bhd. was RM180,000 while it carrying amount was RM130,000. The remaining useful life of the asset is 5 years. Gemini Bhd. did not adjust its books for this fair value difference. Ignore deferred tax. Depreciation is included in operating expenses.

Goodwill on consolidation attributable to the parent was computed at RM6,000 of which RM1,200 had been impaired in prior periods and RM1,500 relates to impairment for the current year.

During the year 2025, Gemini Bhd. sold inventory to Leo Bhd. at a selling price of RM30,000. Gemini Bhd. earns a margin of 15% on cost on such sales. Leo 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 Statement of Changes in Equity of Leo Group for the year ended 31 December 2025.

(Total: 25 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER