



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 9 printed pages including the front page

QUESTION 1

Over the course of the preceding few years, Kedidi Bhd had been suffering from financial difficulties. The process of reforming the activities of the company was permitted by a resolution that was passed by the company's shareholders. The statement of financial position of the company as at the 30 June 2026 that follows is attached.

Kedidi Bhd
Statement of Financial Position as at 30 June 2026

	RM
Non-current assets	
Land and Buildings (at cost)	2,884,000
Office equipment	659,200
Investment	1,030,000
Trademark	599,000
Current assets	
Inventory	793,100
Trade and Other Receivables	824,000
	<u>6,789,300</u>
Issued and paid-up capital	
2,500,000 ordinary shares issued at RM2.20 each	5,500,000
2,000,000 9% preference shares issued at RM1.00 each	<u>2,000,000</u>
	7,500,000
Reserves	
Accumulated Losses	(2,719,200)
Non-current liabilities	
Bank Loan	412,000
Current liabilities	
Bank overdraft	669,500
Trade and Other Payables	<u>927,000</u>
	<u>6,789,300</u>

The scheme of capital reduction which was adopted by the directors is as follows:

1. There was to be a reduction of RM1.00 for ordinary shares and RM0.40 for 9% preference shares.
2. Preference dividends were two (2) years in arrears. The preference shareholders agreed to accept 150,000 fully paid ordinary shares of RM1.20 each as full settlement of these arrears.
3. The net realisable value of inventory on 30 June 2026 was RM669,100.
4. A land with a carrying amount of RM800,000 was sold at RM1,000,000. The sales proceeds were used to settle the bank loan and pay 50% of the trade payable in full.
5. The office equipment was revalued to RM620,000.
6. The accumulated losses, intangible assets and a bad debt of 15% of trade receivables were written off.
7. The market value of the investment was RM1,350,000 and sold at that price.
8. Expenses in respect of the capital reduction scheme amounted to RM35,000.

Required:

- a. Prepare the relevant journal entries to record the above reconstruction scheme.
(13 marks)
 - b. Prepare the statement of financial position of Kedidi Bhd as at 1 July 2026 after the completion of the scheme.
(7 marks)
- (Total: 20 marks)

QUESTION 2

En Zukhairy is running a small-scaled textile business, Silk Enterprise in Penang. In order to expand his business to cover some market segments throughout Malaysia, he decided to convert his business into a limited liability company on 1 June 2026. A new company, Maya Silk Sdn Bhd was formed to take over all the assets (except bank and motor vehicles) and liability of Silk Enterprise. Given below is the Statement of Financial Position of Silk Enterprise as at 31 May 2026.

	RM
Non-current assets	
Buildings (carrying value)	420,000
Office equipment (carrying value)	158,000
Motor vehicles (carrying value)	114,000
Current assets	
Inventories	82,000
Account receivable	46,000
Bank	19,000
	<u>839,000</u>
Owner's equity	
Capital	382,000
Profit and loss	288,000
Current liability	
Account payable	<u>169,000</u>
	<u>839,000</u>

Additional Information:

1. The assets of Silk Enterprise were taken over at the following values:

	RM
Building	500,000
Office equipment	144,000

2. Inventories were reduced by 15% and the account receivables were subject to 5% of the provision for doubtful debt.
3. En Zukhairy would take one of the motor vehicles which has a carrying value of RM74,000 and the remaining balance of the motor vehicles were sold at a profit of RM10,000.
4. The purchase consideration was satisfied by Maya Silk Sdn Bhd through the issuance of 500,000 ordinary shares of RM1.20 each and 200,000 6% preference shares of RM1.20 each to Silk Enterprise. An amount of RM50,000 cash was also paid as part of purchase consideration to Silk Enterprise.

5. Both liquidation expenses and formation expenses of RM2,200 and RM2,800 respectively were paid by Maya Silk Sdn Bhd.
6. En Zukhairy took up the offer made by Maya Silk Sdn Bhd to subscribe 100,000 ordinary shares at RM1.05 per share.

Required:

- a. Compute the purchase price and purchase consideration.
(5 marks)
 - b. Prepare the Realisation account, Bank account, Maya Silk Sdn Bhd account and Capital account to close the books of Silk Enterprise.
(11 marks)
 - c. Prepare journal entries in the books of Maya Silk Sdn Bhd.
(9 marks)
- (Total: 25 marks)**

QUESTION 3

Axis Bhd acquired ordinary shares, preference shares and debentures in Zebra Bhd on 1 January 2023. Below are the statements of financial position of Axis Bhd and Zebra Bhd as at 31 December 2025:

	Axis Bhd RM	Zebra Bhd RM
Non-current assets		
Land and building	8,500,000	4,700,000
Plant and machinery (net book value)	10,800,000	3,900,000
Motor vehicles (net book value)	3,500,000	3,000,000
Investments in Zebra Bhd		
4,000,000 Ordinary shares	6,000,000	
1,000,000 10% Preference shares	1,000,000	
RM500,000 10% Debentures	500,000	
Current assets		
Inventory	3,100,000	800,000
Trade receivables	3,900,000	750,000
Bills receivable	700,000	350,000
Bank	3,300,000	2,500,000
	41,300,000	16,000,000
Equity and Reserves		
Ordinary Shares of RM1.00 each	15,000,000	5,000,000
10% Preference Shares of RM1.00 each	5,000,000	2,000,000
General Reserve	4,000,000	500,000
Retained Earnings	8,200,000	4,500,000
Non-current liabilities		
10% Debentures	5,000,000	2,000,000
Current liabilities		
Trade and Other Payables	3,300,000	1,700,000
Bills Payable	800,000	300,000
	41,300,000	16,000,000

Additional Information :

1. On the date of acquisition, Zebra Bhd's balances were:

	RM
General reserve	500,000
Retained earnings	1,500,000

2. On 1 January 2024, Zebra Bhd purchased a machine with a carrying amount of RM3,000,000 from Axis Bhd for RM3,250,000. The group depreciates plant and machinery at 10% per annum.
3. Bill payables of Zebra Bhd were in favour of Axis Bhd, and 1/3 of the bills have been discounted.
4. During the year 2025, Zebra Bhd sold inventories to Axis Bhd at a profit margin of 25%. At the end of the year, RM100,000 worth of these inventories remained unsold. Axis Bhd has not made any payment with regard to this purchase.
5. As at 31 December 2025, debenture interest for both companies have not yet been provided.
6. Impairment loss of goodwill for the year ended 31 December 2025 was RM200,000
7. The non-controlling interest of the Group is measured at proportion of the fair value of net assets on the date of acquisition of subsidiary.

Required:

Prepare the Consolidated Statement of Financial Position of Axis Bhd and its subsidiary Zebra Bhd as at 31 December 2025. (Show all workings)

(Total: 30 marks)

QUESTION 4

Below are the Statements of Profit or Loss and an excerpt from the Statement of Changes in Equity for Zuss Bhd and Mixue Bhd for the financial year ending 30 June 2026

Statement of Profit and Loss for the year ended 30 June 2026

	Zuss Bhd	Mixue Bhd
	RM	RM
Turnover	3,700,000	4,000,000
Cost of sales	<u>(750,000)</u>	<u>(680,000)</u>
Gross profit	2,950,000	3,320,000
 Selling and distribution expenses	 (560,000)	 (148,000)
Financial expenses	(149,000)	(66,000)
Administrative expenses	(126,000)	(210,000)
Income from other investment	<u>250,000</u>	<u></u>
Profit before tax	2,365,000	2,896,000
Taxation	<u>(550,000)</u>	<u>(848,000)</u>
Profit for the year	<u><u>1,815,000</u></u>	<u><u>2,048,000</u></u>

Statement of Changes in Equity (extract) for the year ended 30 June 2026

	Zuss Bhd	Mixue Bhd
	RM	RM
Retained profit b/f	1,000,000	650,000
Net profit for the year	<u>1,815,000</u>	<u>2,048,000</u>
	2,815,000	2,698,000
 Less : Appropriation:		
Ordinary dividend	(480,000)	(85,000)
Preference dividend	<u>(75,000)</u>	<u>(50,000)</u>
Retained profit c/f	<u><u>2,260,000</u></u>	<u><u>2,563,000</u></u>

Additional information:

1. On 1 July 2025, Zuss Bhd acquired 3 million ordinary shares and 30% of the 8% preference shares in Mixue Bhd. The issued share capital of Mixue Bhd as at that date was as follows:

	Zuss Bhd	Mixue Bhd
	RM	RM
Ordinary share	6,000,000	5,000,000
8% preference share capital	1,500,000	1,000,000
Retained profit	500,500	600,000

2. During the financial year, Mixue Bhd sold inventory to Zuss Bhd costing RM160,000 for RM200,000. Forty percent of these goods remained unsold by Zuss Bhd at year-end.
3. Zuss Bhd purchased equipment from Mixue Bhd at RM64,000 above its book value. Depreciation is applied at 10% on the net book value.
4. For the year, Zuss Bhd allocated RM250,000, and Mixue Bhd allocated RM300,000 to their respective general reserves.
5. At the end of accounting period, both companies declared the final preference dividend and this transaction had not been recorded.

Required:

- a. Prepare the Consolidated Statement of Profit or Loss of Zuss Bhd and its subsidiary Mixue Bhd for the year ended 30 June 2026. (Show all workings)
(14 marks)
- b. Prepare the Consolidated Statement of Changes in Equity (extract) for the year 30 June 2026, showing the group retained profit and the non-controlling interest.
(11 marks)

(Total: 25 marks)

(TOTAL: 100 MARKS)**END OF QUESTION PAPER**

