



FINAL EXAMINATION
DIPLOMA OF ACCOUNTANCY

COURSE	: INTERMEDIATE FINANCIAL ACCOUNTING
COURSE CODE	: ACC2323/ACC2203
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 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 6 printed pages including the front page

QUESTION 1

The following is the statement of financial position extract of Jangle Bhd. as at 31 December 2025:

Jangle Bhd.	
<u>Statement of Financial Position (extract) as at 31 December 2025</u>	
	RM
Issued and paid-up capital	
1,000,000 Ordinary shares	3,000,000
Reserves	
Share premium	853,200
Retained earnings	2,103,400
Non-Current Liability	
4,000,000 units 7% Redeemable Preference Shares	4,000,000

For the year ended 31 December 2025, the following transactions took place:

1. The directors decided to redeem 1,600,000 units of the 7% redeemable preference shares at RM1.00 per share.
2. To finance the redemption, the company issue 300,000 ordinary shares at RM3.00 each and the balance is to be taken out of profits. The shares were fully subscribed and paid.
3. To repurchased 100,000 ordinary shares in the open market at RM3.20 each. 30% of the shares repurchased were kept as treasury shares while the balance was immediately cancelled.

Required:

Illustrate the journal entries to record the above transactions.
(Narrations are not required)

(Total: 20 marks)

QUESTION 2

The following information is related to Marhab Bhd, a public listed company operating at Selayang, Selangor:

	31 December 2024 RM	31 December 2025 RM
Ordinary shares	4,530,000	5,415,000
10% preference shares	1,740,000	2,100,000
Retained earnings	1,200,000	1,335,000
5% debentures	30,000	465,000
General reserve	810,000	435,000
Account payables	375,000	420,000
Dividend payable	133,500	133,500
Tax payable	112,500	
Accumulated depreciation – motor vehicles	855,000	990,000
Accumulated depreciation – plant and machinery	570,000	630,000
	10,356,000	11,923,500
Freehold land and building (net book value)	3,444,000	2,784,000
Plant and machinery (cost)	2,730,000	4,237,500
Motor vehicles (cost)	2,475,000	2,682,000
Long term investments	165,000	45,000
Inventories	462,000	615,000
Account receivables	480,000	585,000
Cash at bank	240,000	360,000
Short term investments	75,000	330,000
Accrued revenue	90,000	105,000
Prepayments	195,000	82,500
Tax recoverable	-	97,500
	10,356,000	11,923,500

Additional information:

1. Last year's dividend in arrears were paid (net of tax) together with the current year interim dividend. The total payment was recorded at RM140,000.
2. The increase in the ordinary share capital was due to the issue of bonus shares from the company's retained earnings during the year. There was no new issue of ordinary shares for cash.
3. There were no disposal of plant and machinery and motor vehicles made during the year.
4. Freehold land and buildings were sold at a profit of RM175,000
5. Long-term investments were disposed for RM250,000. Short-term investments were part of the cash and cash equivalents
6. Tax expense for the year ended 31 December 2025 was assessed at RM70,000.

Required:

Prepare a Statement of Cash Flows for the year ended 31 December 2025 for Marhab Bhd using the **indirect method**.
(Show relevant workings)

(Total: 30 marks)

QUESTION 3

Alakap Bhd manufactures and sells construction materials. The financial year of Alakap Bhd ends on 31 December each year. The directors authorised the financial statements for issue on 1 March 2026. Provided below is the trial balance as at 31 December 2025:

	Debit (RM)	Credit (RM)
Revenue		615,944,000
Cost of sales	336,000,000	
Administrative expenses	72,000,000	
Director's remuneration	432,000	
Selling and distribution cost	32,320,000	
Finance cost	1,944,000	
Investment income		520,000
Trade payables		32,320,000
Tax paid	3,200,000	
Ordinary share capital		265,600,000
Retained earnings as at 1 January 2025		76,080,000
Long term loan from bank		18,144,000
Non-current assets at cost:		
Land	112,000,000	
Buildings	160,000,000	
Plant and machinery	62,720,000	
Accumulated depreciation at 1 January 2025		
Buildings		19,200,000
Plant and machinery		17,920,000
Bank	57,072,000	
Investments	137,280,000	
Product patents	200,000	
Inventories	32,000,000	
Trade receivables	40,000,000	
Allowance for impairment for trade receivables		1,440,000
	1,047,168,000	1,047,168,000

Additional information:

1. The revenue figure above includes a credit sale amounting RM1,680,000 which was delivered on 7 January 2026. These goods were included in the closing inventory of RM1,000,000.
2. On 15 January 2026, the net realisable value of the inventories held as at the year ended 31 December 2025 was valued at RM28,000,000.
3. A customer who owed the company RM200,000 was declared bankrupt on 10 January 2026. None of the amount was expected to be recovered.

4. It is the company's policy to depreciate its property, plant and equipment on a yearly basis at the following rates:

Buildings	3% on cost
Plant and Machinery	10% on carrying value

The directors decided to revalue the land based on its fair market value of RM136,000,000 as at 31 December 2025. Since then, no adjustment has been made.

5. A provision of RM890,000 is to be made for audit fees.
6. The tax expense for the year was estimated to be RM4,400,000.

Required:

Prepare the following statements in a form suitable for publication and in compliance with the Companies Act 2016 and relevant accounting standards for:

- a. Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2025. (21 marks)
- b. Statement of Changes in Equity for the year ended 31 December 2025. (4 marks)
- c. Statement of Financial Position as at 31 December 2025. (16 marks)
- d. Notes to the account for Property, Plant and Equipment to accompany the above statements. (9 marks)
- (Total: 50 marks)

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