



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 7 printed pages including the front page

QUESTION 1

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

Mellow Bhd Statement of Financial Position (extract) as at 31 December 2025		RM '000
Issued and paid-up capital		
6,000,000 Ordinary shares		9,000
2,500,000 9% Preference Shares		5,000
Reserves		
Retained earnings		5,000
General reserves		3,000
Non-Current Liability		
4,000,000 units 9% Redeemable Preference Shares		8,000

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

1. The board of directors decided to redeem 4/5 of the 9% redeemable preference shares at RM2.00 per share.
2. To finance the redemption, the company offered 3,000,000 units of ordinary shares at RM1.70 per share to the public, payable in full upon application. The shares were fully subscribed and paid. The remaining amount was financed out of profits.
3. To repurchase 500,000 units of ordinary shares at RM1.50 per share in the open market. Half of the shares repurchased were kept as treasury shares while the balance was immediately cancelled.

Required:

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

(Total: 20 marks)

QUESTION 2

The following information is related to Lantera Bhd, a public listed company operating in Johor Bahru on 31 December 2025 and 2024.

Statement of Financial Position as at 30 December		
	2025 (RM)	2024 (RM)
Ordinary shares	4,240,000	3,760,000
Retained profit	3,120,000	2,560,000
Asset revaluation reserve	1,120,000	1,680,000
Bank loan	360,000	480,000
Accounts payable	140,000	164,000
Tax payable	128,000	224,000
Accruals	104,000	93,600
Dividend payable	76,000	36,000
	9,288,000	8,997,600
Property, plant, and equipment	6,000,000	5,120,000
Less:		
Accumulated depreciation	(1,480,000)	(1,120,000)
Investment properties	1,120,000	1,480,000
Development cost	1,066,400	1,384,000
Accounts receivable	168,000	108,000
Inventories	296,000	360,000
Short-term deposits	600,000	528,000
Bank	1,517,600	1,137,600
	9,288,000	8,997,600

Additional information:

1. The increase in ordinary shares was partly due to the bonus issue of RM184,000 out of profit. The balance was due to the rights issue to existing shareholders.
2. During the year, the company declare dividend of RM460,000 to ordinary shareholders.
3. Property, plant, and equipment was decreased due to a deficit from the revaluation of land amounting to RM560,000 and dispose of an old machine. The costing and accumulated depreciation of the old machine were RM216,000 and RM108,000 accordingly. The old machine was disposed for a cash of RM72,000. The company also acquired a new machine and a motor vehicle during the year.
4. Decrease in investment properties was due to changes in fair value.
5. The tax charged for the year is amounting RM616,000.
6. Short-term deposits qualified for a cash equivalent. Interest income from short-term deposits is RM148,000.

Required:

Prepare a Cash Flow Statement for the year ended 31 December 2025 for Lantera Bhd in compliance with MFRS 107 Cash Flow Statements using the **indirect method**.
(Show relevant workings)

(30 marks)

QUESTION 3

Parrot Berhad was incorporated in year 2000 with authorised capital of RM800,000,000 made up of 400,000,000 Ordinary shares capital at RM1.50 each and the balance was 5% Preference shares capital at RM2.00 each. The following balances were extracted from the book of the company at 31 March 2026:

	Debit (RM'000)	Credit (RM'000)
Land	168,000	
Plant and machinery	54,300	
Fixtures & fittings	28,080	
Motor vehicles	38,100	
Investment	103,800	
40,000,000 Ordinary shares of RM1.50 each		120,000
12,000,000 5% Preference shares of RM2.00 each		48,000
7% Debentures		92,000
Retained profit as at 1 April 2025		56,116
General reserve		18,000
Share premium		12,000
Accumulated depreciation as at 1 April 2025:		
Plant and machinery		13,560
Fixtures & fittings		4,080
Motor vehicles		8,160
Cost of sales	310,200	
Sales		523,980
Rental paid & rental received	3,360	2,880
Bank	93,600	
Inventories	36,000	
Account receivables & account payable	30,720	17,040
Auditors' fee	14,460	
Directors' remuneration	10,920	
Debenture interest	5,700	
Interim dividend:		
Ordinary shares	6,756	
5% Preference shares	1,200	
Investment income		10,920
Tax paid	21,540	
	926,736	926,736

Additional information:

1. Net realisable value of the inventory at the end of the financial year amounted to RM28,000,000.
2. A cash sales worth RM5,180,000 has been recorded twice in the book of accounts.

3. The following accruals have been taken up in preparing the above trial balance

Auditors' fee : RM540,000
Directors' remuneration : RM1,080,000

4. Interest on debentures has not been fully accounted.

5. The freehold land was revalued to its fair value of RM176,000,000. Cekap Berhad adopts the revaluation model for its land. Other non-current assets are depreciation as follows:

Plant and machinery : RM5,428,000
Fixtures and fittings : RM5,616,000
Motor vehicles : RM5,988,000

These transactions have not been recorded in the book of accounts.

6. On 25 March 2026, the board of directors have decided to:

- i. Transfer RM20,000,000 to general reserve and
- ii. Provide a final dividend of 3% on ordinary shares and the remaining of preference shares dividend.

7. Taxation expenses was confirmed by the Inland Revenue Board at RM24,940,000.

Required:

Prepare the following statement for the company in the compliance with the Companies Act 2016 and the relevant financial reporting standards:

- a. Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2026. (19.5 marks)
 - b. Statement of Changes in Equity for the year ended 31 March 2026. (6 marks)
 - c. Statement of Financial Position as at 31 March 2026. (12.5 marks)
 - d. Notes to the account for Property, Plant and Equipment to accompany the above statements. (12 marks)
- (Total: 50 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER