

**FINAL EXAMINATION****BACHELOR OF ACCOUNTANCY (HONOURS)****COURSE : ACCOUNTING THEORY AND PRACTICE****COURSE CODE : ATP4013****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 this examination pack consists of:
  - i. the Question Paper
  - ii. an Answer Booklet
4. Do not bring any material into the examination hall. Electronic calculator is allowed.
5. Please write your answer using permanent ink.

**MYKAD/ PASSPORT NO. :** \_\_\_\_\_**ID. NO. :** \_\_\_\_\_**LECTURER :** \_\_\_\_\_**SECTION :** \_\_\_\_\_

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*This question paper consists of 5 printed pages including the front page*

## QUESTION 1

The Emirates Group is a full-service international airline that provides passenger and cargo transportation services. The Emirates Group prepares its financial statements in accordance with International Financial Reporting Standards.

For Emirates, there are explicit cost paid to provide quality financial report such as preparation costs, audit and assurance cost and training cost. Emirates invested in a corporate Environmental Social and Governance (ESG) reporting platform to harmonise sustainability data collection and improve reporting capability. These costs include reporting systems, Information Technology (IT) infrastructure, sustainability data management, and manpower required to prepare detailed disclosures for stakeholders.

With regard to audit and assurance costs, Emirates requires external auditors such as PricewaterhouseCoopers (PwC) for compliance reviews, and governance procedures to ensure transparency and regulatory compliance. The annual report highlighted the establishment of governance and compliance protocols for United Arab Emirates (UAE) corporate tax reporting. These assurance activities increase stakeholder confidence but involve significant professional and compliance costs.

Besides preparation and audit and assurance cost, Emirates expanded employee development and training programmes to support its global workforce and operational improvements. Employees need proper training to implement ESG initiatives, operate reporting systems effectively, and comply with evolving sustainability and financial reporting standards.

(Sources: Annual Report of The Emirates Group, 2024-2025, United Arab Emirates)

**Required:**

- a. Assess **THREE (3)** explicit cost arise in the case above. (9 marks)
- b. Evaluate **THREE (3)** enhancing qualitative characteristics in Conceptual Framework by The Emirates Group. (9 marks)
- c. Justify **TWO (2)** assets of The Emirates Group. (7 marks)

(Total: 25 marks)

**QUESTION 2**

Accounting harmonization refers to the process of reducing differences in accounting standards across countries to improve the comparability and consistency of financial statements. In Malaysia, harmonization has been achieved through the gradual alignment of Malaysian accounting standards with International Financial Reporting Standards (IFRS) issued by the IASB. This process enables Malaysian companies to prepare financial statements that are comparable with those of companies in other countries, facilitating international investment, cross-border financing, and global business activities.

There are two (2) types of harmonization process;

- i. Harmonization of Accounting Regulations and Standards
- ii. Harmonization of Accounting Practice

The Malaysian Accounting Standards Board (MASB) is responsible for developing and issuing accounting standards in Malaysia. Before a standard is issued, MASB follows a due process to ensure that the views of stakeholders are considered and that the standard is suitable for the Malaysian environment.

**Required:**

- a. Justify **TWO (2)** types of harmonization process by providing 1 example for each.  
(8 marks)
- b. Assess **THREE (3)** importance of involving public and professional feedback in standard-setting due process.  
(9 marks)
- c. Describe **TWO (2)** future pronouncements from International Financial Reporting Standards (IFRS).  
(8 marks)

(Total: 25 marks)

**QUESTION 3**

The Malaysian Private Entities Reporting Standard (MPERS) provides a simplified and cost-effective financial reporting framework for private entities and small and medium-sized enterprises (SMEs). Similarly, the Malaysian Public Sector Accounting Standards (MPSAS) provide a standardized financial reporting framework for public sector entities, enhancing the transparency in the management of public funds. Brew Haven Coffee House enterprise is having dilemma going transition towards the adoption of MPERS.

Brew Haven Coffee House is a small coffee shop in Seremban, adopted MPERS to prepare its financial statements. By using MPERS, the company benefits from simplified accounting requirements, reducing the complexity of applying standards such as MFRS 15. Apart from that, it is cost-effective in terms of compliance as the reduced disclosure requirements lower audit fees and save staff time. Additionally, MPERS provides consistent and comparable financial information, which helps banks assess the company's performance and approve financing applications. Since MPERS is designed specifically for private entities, management can focus on running the business and improving profitability without facing unnecessary reporting burdens.

**Required:**

- a. Elaborate **FOUR (4)** differences between MPERS and MPSAS. (12 marks)
  - b. Recommend **THREE (3)** benefits of the implementation of MPERS to Brew Haven Coffee House. (9 marks)
  - c. Propose **TWO (2)** other examples of entities that can adopt MPERS. (4 marks)
- (Total: 25 marks)

## QUESTION 4

Unilever uses Beauty AI Studio and Sketch Pro to generate marketing content and digital assets more efficiently. These AI tools help create personalized campaigns, reduce costs, and improve consumer engagement. However, their use also raises concerns regarding data privacy, intellectual property rights, and the ethical use of Artificial Intelligence (AI) generated content.

The use of AI in marketing raises data privacy concerns because AI systems rely on large amounts of personal and behavioral data. Data privacy and security is one of the main concerns globally as AI systems have the access to a massive amount of information and data. Besides, Unilever's use of AI in marketing creates intellectual property challenges because ownership of AI-generated content may be unclear. As AI is not legally recognized as an author, disputes may arise over copyright ownership. Considering the ethical use of AI-generated content, if an AI-generated Dove advertisement closely resembles an existing copyrighted image created by another designer, questions may arise regarding who owns the content and who is responsible for the copyright infringement. Since AI is not legally recognized as an author, Unilever must establish clear policies on ownership, attribution, and legal responsibility for AI-generated works.

Unilever implements sustainability through leadership commitment and stakeholder capitalism practices. First, the management need to have concrete strategies and practices. In Unilever, the research and development team develop sustainable products such as lightweight packaging, refillable packaging and bottles made from recycled plastics. Second, CEO Fernando Fernandez actively promotes sustainability and AI-driven transformation as part of long-term value creation. emphasized progress toward sustainability goals while delivering growth and shareholder value. Third, performance evaluation highlights the uses of data-driven performance measurement and talent management systems to monitor progress of employee. Apart from that, Unilever also prepares sustainability disclosures align with the European Sustainability Reporting Standards (ESRS).

Sources: Annual Report of The Unilever PLC. (2025)

**Required:**

- a. Based on the case above, elaborate **THREE (3)** challenges using AI with **ONE (1)** example.  
(9 marks)
  - b. Propose **TWO (2)** sustainability implementations by Unilever.  
(8 marks)
  - c. Recommend **TWO (2)** international financial reporting frameworks that are applicable to Unilever.  
(8 marks)
- (Total: 25 marks)

**(TOTAL: 100 MARKS)**

**END OF QUESTION PAPER**

