

**FINAL EXAMINATION****BACHELOR OF ACCOUNTANCY (HONOURS)**

**COURSE : FINANCIAL ACCOUNTING AND
REPORTING 1**

COURSE CODE : ACC3364

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. The use of calculator is allowed.
5. Please write your answer using a ball-point pen 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 trial balance was extracted from the records of Nusantara Supplies as at 31 December 2025:

Account	DR (RM)	CR (RM)
Trade payables		6,200
Office equipment	18,500	
Capital		25,000
Supplies expense	3,400	
Trade receivables	5,800	
Sales revenue		17,300
Bank	7,200	
Cost of sales	9,600	
Utilities expense	2,100	
Drawings	1,800	
Total	48,400	48,500

Additional information:

During a review of the accounting records, the following errors were discovered:

- i. A credit sale of RM450 was recorded in the sales revenue account, but no entry was made in the trade receivables account.
- ii. A purchase of a new office equipment costing RM1,200 was incorrectly recorded as supplies expense.
- iii. A payment made to a supplier of RM300 was recorded correctly in the bank account, but no entry was made in trade payables.
- iv. Goods returned by a customer amounting to RM200 correctly recorded in trade receivable but were wrongly recorded as cost of sales instead of being treated as a reduction in revenue.
- v. A cash receipt of RM600 from a customer was recorded twice in the bank account but only once in trade receivables.
- vi. A utilities expense of RM150 was recorded in the utilities account but was completely omitted from the bank account.

Required:

Prepare a worksheet in adjusting the trial balance to correct those errors.

(20 marks)

QUESTION 2

The following trial balance was extracted from the books of Utama Jaya Trading for the year ended 30 June 2026:

	Debit (RM)	Credit (RM)
Capital		127,000
Opening inventory (1 July 2025)	14,500	
Accounts receivable and accounts payable	38,000	16,000
Bank	19,600	
Shop fittings	28,000	
Delivery van	55,000	
Machinery and equipment	125,000	
Allowance for doubtful debts (1 July 2025)		1,100
Acc. dep as at 1 July 2025- Shop fittings		2,800
Acc. dep as at 1 July 2025- Delivery van		5,500
Acc. dep as at 1 July 2025- machinery and equipment		25,000
Bank overdraft		12,000
Purchases and Sales	103,000	162,000
Returns inward and returns outward	2,600	4,000
Discount allowed and discount received	3,200	6,200
Carriage inward	5,400	
Advertising expense	4,800	
Wages	6,500	
General expenses	18,200	
Insurance	3,900	
Drawings	4,200	
Interest income		2,300
5% Loan		150,000
Investment	35,000	
Rental	47,000	
	<u>513,900</u>	<u>513,900</u>

Additional information:

- At the end of the financial year, closing inventory was valued at RM13,200. Goods costing RM950 were taken by the owner for personal use, but this has not been recorded in the accounts. A debt of RM1,800 is to be written off as irrecoverable, and the allowance for doubtful debts is to be adjusted to 5% of the remaining receivables.
- Depreciation is to be provided on shop fittings at 10% per annum using the reducing balance method. Meanwhile, for delivery van and machinery and equipment at 10% per annum and 20% respectively using the straight-line method.
- At year end, wages of RM1,400 and general expenses of RM300 remain unpaid. Insurance includes RM600 paid in advance. In addition, interest income of RM500 has been earned but not yet received.
- Other than that, the business still has outstanding balance for interest on loan for the year and rental expenses of RM15,000.

Required:

- a. Prepare the Statement of Profit or Loss for the year ended 30 June 2026. (17 marks)
 - b. Prepare the Statement of Financial Position as at 30 June 2026. (15 marks)
 - c. Explain the term “**discount allowed**” and describe how it affects profit. (3 marks)
- (Total: 35 marks)

QUESTION 3

Lestari Ventures is a partnership business owned by Farid, Jasmine, and Kumar. The partnership agreement includes the following terms:

- Interest on capital is to be provided at 6% per annum.
- Jasmine is entitled to an annual allowance of RM24,000.
- Profits and losses are shared in the ratio 3: 2: 1 respectively.

Balances as at 1 January 2025:

Partner	Capital (RM)	Current (RM)
Farid	320,000	70,000
Jasmine	280,000	55,000
Kumar	200,000	40,000

Changes during the year:

On 31 March 2025, Kumar decided to retire from the partnership. It was agreed that:

- His total balance would remain in the business as a loan to the firm.
- On 1 April 2025, a new partner, Nadia, was admitted into the partnership. She agreed to Contribute RM180,000 as capital and pay RM40,000 as her share of goodwill.

A new partnership agreement was established with the following terms:

- No interest on capital is to be provided.
- Interest on drawings is to be charged at 5% per annum.
- The new profit-sharing ratio for Farid, Jasmine, and Nadia is 4: 3: 2

Additional Information:

- For admission purposes, the total goodwill of the partnership is valued at RM220,000, and it is agreed that goodwill will not be recorded in the books.
- Prior to Nadia's admission, the partners agreed to revalue assets as follows:
 - Machinery increased by RM30,000
 - Office equipment decreased by RM12,000
- The partnership reported a net profit of RM720,000 for the year ended 31 December 2025. It is assumed that profit was earned evenly throughout the year.
- On 27 March 2025, Jasmine withdrew RM12,000 for personal use.
- On 20 September 2025, Nadia withdrew RM15,000 for personal use.

Required:

- a. Prepare the following:
- i. Goodwill account. (4 marks)
 - ii. Revaluation account. (3 marks)
 - iii. Profit and Loss Appropriation Account, clearly distinguishing between pre-admission and post-admission periods for the year ended 31 December 2025. (12 marks)
 - iv. Partners' current accounts. (6 marks)
 - v. Partners' capital accounts. (8 marks)
- b. Explain **TWO (2)** advantages of forming a partnership business. (2 marks)
- (Total: 35 marks)

QUESTION 4

The following is the Statement of Financial Position (extract) as at 28 February 2026:

Sentosa Holdings Berhad	
<u>Statement of Financial Position (extract) as at 28 February 2026</u>	
Assets	RM
Investment	5,500,000
Bank	<u>2,200,000</u>
	<u>7,700,000</u>
Equity	
Issued and Paid-up Capital:	
3,000,000 Ordinary Shares @ RM1.00 each	3,000,000
Retained Earnings	2,100,000
Non-current Liabilities	
6% Debentures	1,200,000
1,400,000 8% Redeemable Preference Shares @ RM1.00 each	<u>1,400,000</u>
	<u>7,700,000</u>

Additional information:

During the year ended 28 February 2026, the company carried out the following transactions:

- The company redeemed 50% of the redeemable preference shares at a premium of 10%. The redemption was financed partly by issuing 400,000 new ordinary shares at RM1.25 each, with the balance paid out of retained earnings.
- A bonus issue of 1 ordinary share for every 4 existing shares was made using retained earnings.
- The company repurchased 150,000 of its own ordinary shares at RM1.40 per share using the treasury share method.
- Half of the treasury shares were later reissued at RM1.60 per share.
- The company redeemed 60% of its debentures at par, and the payment was made using available bank balance.

Required:

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

(Total: 10 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER

