



FINAL EXAMINATION

COURSE : COMPANY ACCOUNTS AND REPORTING

COURSE CODE : PFA3163

DURATION : 3 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. Answer Booklet
4. Do not bring any material into the examination hall unless permission is given by the invigilator.
5. Please write your answer using a ballpoint pen.

MYKAD NO : _____

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LECTURER : _____

SECTION : _____

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

The question paper consists of 05 printed pages

MAR2024/A/PFA3163

1. (20 points)

A.

On 2 May 2023, Berjaya Square Bhd. issued 4% debentures of nominal value of RM40,000,000 at a discount of 5%. The effective interest rate is 6% and interest date is on every 30 April. The liability is measured at amortised cost.

Required:

Prepare the journal entries for the issuance of debentures and payment of interest. (5 points)

B.

Cempaka Sari Bhd. was incorporated on 1 January 2020 as a public company with an initial capital of 5,000,000 units ordinary shares at RM2.00 and 1,500,000 units 5% preference shares at RM4.

At 1 July 2023, the company made an offering of 4,000,000 ordinary shares at RM2.50 to the public with information as follows:

On application RM1.00
On allotment RM0.80
On final call RM0.70

Applications received were oversubscribed by 1,500,000 units. The directors decided to transfer all the surplus money on application for the payment of allotment.

Required:

- i. Journalize the above transactions regarding the issuance of shares. (10.5 points)
- ii. Prepare the extract statement of financial position as at 31 December 2023. (4.5 points)

2. (32 points)

Syarikat Movick Bhd issued ordinary shares and preference shares to raise capital for the company. The following trial balance was extracted from the book of the company as at 30 June 2023.

	DEBIT (RM)	CREDIT (RM)
Sales		1,405,000
Cost of Goods Sold	578,000	
Salaries	65,000	
Directors' Remuneration	20,000	
Administrative Expense	150,000	
Selling Expense	50,000	
Interest on Debenture	23,400	
Interest on Loan	4,000	
Audit fees	5,000	
Advertising Expense	21,000	
Investment - available for sale	150,000	
8% Debentures		71,000
Long Term Loan		30,000
250,000 Ordinary Shares		1,078,000
5% Preference Shares		427,000
Tax paid	61,000	
Dividend Received		10,400
Land (cost)	934,000	
Equipment (cost)	270,000	
Plant & Machinery (cost)	320,000	
Motor Vehicle (cost)	190,000	
Accumulated depreciation as at 1 July 2022:		
Equipment		36,600
Plant & Machinery		64,000
Motor vehicle		34,800
Provision for doubtful debt as at 1 July 2022		5,200
Inventory as at 30 June 2023	80,900	
Cash at bank	622,000	
Trade Receivable	66,000	
Trade Payable		59,000
Retained Earnings as of 1 July 2022		477,000
Interim dividend paid:		
Ordinary shares	41,100	
Preference shares	46,600	
Total	3,698,000	3,698,000

Additional information:

- a. The depreciation is charged to administrative expenses and selling expenses at a ratio of 2:1. Depreciation method and rate is as follows:
- b.

Non current assets	Method	Depreciation rate (per annum)
Equipment	Straight line method	10%
Motor vehicles		
Plant and machinery	Reducing balance method	20%

- c. The market value of investment is RM200,000 at year end.
- d. On 30 June 2023, the land was revalued to RM1,000,000. The directors decided to incorporate this value into the account.
- e. Long term loan is due for full settlement on December 2023.
- f. Tax paid was the tax charged for the year.
- g. Provision for doubtful debt is 3% of trade receivables.
- h. The directors declared final dividend on 30 June 2023 as follow and it will be paid in the next accounting period: (ignore tax effect)
 - Preference share
 - 5 sen per unit of ordinary share

Required:

- i. Prepare the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023. (15.5 points)
- ii. Prepare the Statement of Changes in Equity for the year ended 30 June 2023. (5 points)
- iii. Prepare the Statement of Financial Position as at 30 June 2023. (6 points)
- iv. Prepare the notes to the accounts for Property, Plant and Equipment. (5.5 points)

3. (28 points)

Berjaya Setia Sdn Bhd was incorporated in year 2020 and involves in plantation and construction works. The summarized Statement of Financial Position of Berjaya Setia Sdn Bhd as at 31 December 2023 is as follows:

	2023 (RM'000)	2022 (RM'000)
Freehold land	500	650
Machinery (at cost)	550	500
Equipment (at cost)	400	350
Accumulated depreciation:		
Machinery	(120)	(90)
Equipment	(80)	(60)
Inventories	10	21
Account receivables	13	10
Cash at bank	64	52
Prepaid rental	20	35
Prepaid insurance	11	20
TOTAL ASSETS	1,368	1,488
Loan from Maybank	20	120
5% debenture	52	50
Account payable	13	60
Accrued insurance	15	65
Income tax payable	10	43
Share capital	1,100	1,000
Retained profit	158	150
TOTAL LIABILITIES & EQUITY	1,368	1,488

Additional information:

- Net profit before tax for the year was RM10,000.
- A freehold land costing RM150,000 was sold for RM190,000.
- The company has purchased new machinery and equipment during the year.
- During the year, Berjaya Setia Sdn Bhd issued ordinary shares and debenture for cash.
- Tax charge for the current year, RM15,000.

Required:

Prepare the Statement of Cash Flow of Berjaya Setia Sdn Bhd for the year ended 31 December 2023 by using indirect method.

END OF QUESTION PAPER