

**FINAL EXAMINATION****COURSE : FINANCIAL ACCOUNTING II****COURSE CODE : PFA1183****DURATION : 3 HOURS****INSTRUCTION TO CANDIDATES:**

1. This question paper consists of **THREE (3)** questions.
2. Answer ALL question 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
 - iii.
4. Do not bring any materials into the examination hall unless permission is given by the invigilator.
5. Please write your answer using a ball-point pen.

NO. MYKAD : _____

NO. ID. : _____

LECTURER : _____

SECTION : _____

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

The question paper consists of 08 printed pages

MAR2024/C/PFA1183

ESSAY QUESTIONS

1. (26 points)

Kuantan Cat Lover Club was formed with the aim of bringing together cat lovers in the region, as well as promoting awareness and education about stray cats. The club provides the following information for the year ended 31 December 2023:

Receipt and Payment			
	RM		RM
Balance b/d	18,000	Shop staff's salaries	9,600
Entrance fees	8,400	Rental	12,000
Annual subscriptions	20,000	Insurance	3,900
Sales-shop	20,000	General expenses	15,000
Event income- Cat expo	15,200	Utilities	2,000
Donations	5,000	Purchases-shop	9,700
		Event expenses- Cat Expo	5,000
		Balance c/d	?

Additional information:

a. Accounts' balances for assets and liabilities are as follow:

	1 January 2023 RM	31 December 2023 RM
Equipment (cost)	25,000	20,000
Furniture and fittings (Cost)	12,000	9,600
Subscription in advance	1,000	800
Subscription in arrears	2,500	3,000
Inventories-shop	3,300	1,200

- b. The difference amount of balance in the non-current assets account is due to depreciation expense.
- c. 1/4 of general expenses is for the shop and the balance is for income and expenditure.
- d. Included in the insurance expense was an advance of RM300.
- e. The club decided to apportioned entrance fee over a 5-year period.

Required:

- i. Calculate the accumulated fund for the club as at 1 January 2023. (3.5 points)
- ii. Prepare the Shop Trading account for the year ended 31 December 2023 (4.5 points)
- iii. Prepare the Income and Expenditure account for the year ended 31 December 2023. (12.5 points)
- iv. Prepare the Statement of Financial Position as at 31 December 2023 (5.5 points)

(Show all workings. Round up figure to the nearest ringgit)

2. (29 points)

A. (5 points)

Answer all questions. Choose the MOST appropriate answer.

i.	Production workers are considered as an indirect cost in manufacturing.	TRUE	FALSE
ii.	Prime cost is an important measure for assessing the direct costs which directly associated with the production of goods.	TRUE	FALSE
ii.	The elements of unrealized profit contained in the finished goods inventory at the end of the period must be removed by transferring to an allowance for unrealized profit account.	TRUE	FALSE
iv.	In a manufacturing industry, the cost of raw materials used in producing a product is considered as an indirect cost.	TRUE	FALSE
v.	The cost-plus method is a commonly used to transfer pricing from manufacturing account to Profit and Loss.	TRUE	FALSE

B. (24 points)

Manes Cakes Manufacturing has operated its business since 2018 in Negeri Sembilan. The company has provided the following list of balances as at 31 December 2023:

	RM
Purchases: Raw Materials	260,800
Sales	560,000
Inventories as at 1 January 2023:	
Raw Materials	30,000
Finished Goods	41,500
Work in Progress (at prime cost)	35,000
Direct Wages	90,000
Salaries- Administrative	21,000
Return inwards	1,700
Indirect material	2000
Hire for special design	2,530
Freight charge: Raw material	950
Electricity & Water Expense	2,200
Rent and Rates	9,600
Advertising	3,300
Discount Allowed	1,250
Salaries for salesmen	600
Machinery (at cost)	55,000
Delivery lorry (at cost)	130,000
Accumulated depreciation as at 1 January 2023:	
Machinery	33,000
Delivery lorry	35,230
Bank	14,560
Receivables	24,000
Payables	11,500
Capital	86,700
Allowance for unrealized profit as at 1 January 2023	1,300

Additional Information:

- | | | | | | | | | | | |
|--|--|---------------|----------------|---------------|-----------------------|-----|-----|----------------|-----|-----|
| a. Inventories as at 31 December 2023: | RM | | | | | | | | | |
| Raw Materials | 24,500 | | | | | | | | | |
| Finished Goods | 23,030 | | | | | | | | | |
| Work in Progress (at prime cost) | | | | | | | | | | |
| - Direct materials | 8,000 | | | | | | | | | |
| - Direct Labor | 3,000 | | | | | | | | | |
| b. Accrued expenses as at 31 December 2023: | RM | | | | | | | | | |
| Electricity and Water | 500 | | | | | | | | | |
| Advertising | 200 | | | | | | | | | |
| Direct wages | 900 | | | | | | | | | |
| c. Prepaid expenses as at 31 December 2023: | RM | | | | | | | | | |
| Rent and Rates | 800 | | | | | | | | | |
| d. Depreciation for the year is to be provided as follows: | | | | | | | | | | |
| Machinery | 20% on cost | | | | | | | | | |
| Delivery Lorry | 25% on net book value | | | | | | | | | |
| e. Allocation of expenses are as follows: | | | | | | | | | | |
| | <table style="display: inline-table; border: none;"> <tr> <td style="width: 30%;"></td> <td style="width: 35%; text-align: center;"><u>Factory</u></td> <td style="width: 35%; text-align: center;"><u>Office</u></td> </tr> <tr> <td>Electricity and Water</td> <td style="text-align: center;">2/3</td> <td style="text-align: center;">1/3</td> </tr> <tr> <td>Rent and Rates</td> <td style="text-align: center;">3/4</td> <td style="text-align: center;">1/4</td> </tr> </table> | | <u>Factory</u> | <u>Office</u> | Electricity and Water | 2/3 | 1/3 | Rent and Rates | 3/4 | 1/4 |
| | <u>Factory</u> | <u>Office</u> | | | | | | | | |
| Electricity and Water | 2/3 | 1/3 | | | | | | | | |
| Rent and Rates | 3/4 | 1/4 | | | | | | | | |
| f. Finished goods manufactured during the accounting period are transferred from the factory at cost of production plus 20% mark up. | | | | | | | | | | |

Required:

- i. Prepare the Manufacturing Account for the year ended 31 December 2023. (12 points)
 - ii. Prepare the Statement of Profit or Loss for the year ended 31 December 2023. (12 points)
- (Show all workings. Round up figure to the nearest ringgit)

3. (25 points)

Megah Holding, a trading company with its head office in Kelantan operates a branch in Terengganu. The branch maintains its own accounting records. Below is the trial balance of the head office and its branch as at 31 December 2023:

	Kelantan (RM)	Terengganu (RM)
Sales	377,000	297,000
Purchases	310,000	68,500
Goods Sent to Branch	90,000	-
Goods from Head Office	-	84,800
Inventories as at 1 January 2023	7,000	1,500
Buildings	260,000	-
Accumulated depreciation-Building	31,200	-
Machinery	160,000	-
Accumulated depreciation-Machinery	55,024	-
Cash and Bank	40,000	36,000
Account receivables	56,000	14,000
General and administrative expense	14,000	9,000
Selling and distribution expense	10,000	8,000
Financial expense	28,000	-
Account payables	4,826	-
Loan: BMMB	100,000	-
Capital	160,000	-

Additional information:

- a. Goods sent to Terengganu were at cost plus 20%.
- b. Cash in transit from Terengganu to Kelantan was RM3,300.
- c. Goods invoiced at RM5,200 were in transit from Kelantan to Terengganu.
- d. Buildings are depreciated at 4% per annum using straight line method and machinery are depreciated at 10% per annum using reducing balance method.
- e. Inventory loss at Kelantan and Terengganu were estimated at RM4,800 and RM1,200 respectively.
- f. Inventory as at 31 December 2023:

Kelantan	RM20,000
Terengganu	RM11,000 (all goods sent from HQ)

Required:

- i. Prepare Allowance for Unrealised Profit Account for the year ended 31 December 2023.
(3 points)
- ii. Prepare Combined Statement of Profit or Loss for the year ended 31 December 2023.
(14 points)
- iii. Prepare Combined Statement of Financial Position as at 31 December 2023. (8 points)

(Show all workings. Round up figure to the nearest ringgit)

END OF QUESTION PAPER