



FINAL EXAMINATION

COURSE : INTERMEDIATE FINANCIAL REPORTING

COURSE CODE : PFA2203

DURATION : 2 HOURS 30 MINUTES

INSTRUCTIONS TO CANDIDATES :

1. This question paper consists of **THREE (3)** parts:
Part A : True or False (10 questions)
Part B : Short Essay (2 questions)
Part C : Essay (1 question)
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 unless permission is given by the invigilator.
5. Please write your answer using a ball-point pen.

MYKAD NO : _____

ID. NO. : _____

LECTURER : _____

SECTION : _____

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

The question paper consists of 05 printed pages

2024/A/PFA2203

OCT2024/A/PFA2203

PART A
TRUE or FALSE QUESTIONS

(10 points)Indicate whether the statement is **TRUE** or **FALSE**.

1.	Property, plants and equipment are intangible assets that a company uses in its operation.
2.	The cost of property, plant and equipment includes all expenses necessary to acquire the asset and prepare it for intended use.
3.	Capital expenditure are costs that are expensed immediately in the period incurred.
4.	Property, plants and equipment with an infinite useful life will be classified as depreciable assets.
5.	Residual value is the amount that an entity would expected to obtain from the disposal of an asset at the end of its useful life.
6.	MFRS 141 applies to both living animals and living plants.
7.	Under MFRS 141, biological assets are initially measured at cost.
8.	Costs related to maintaining biological assets, such as feed and veterinary care, are added to the carrying value of the asset.
9.	MFRS 141 require disclosure of the methods and assumptions used to determine fair value.
10.	MFRS 141 requires biological assets to be remeasured at fair value less cost to sell at the end of each reporting period.

PART B
SHORT ESSAY

1. (10 points)

On 1 June 2022, Daisy Sdn Bhd purchased a building in Kuala Kangsar for RM550,000. As an early bird promotion, Daisy Sdn Bhd entitled to a RM50,000 rebate. Expenditures incurred and paid by the company to acquire this building are as follows:

	RM
Cost of demolishing part of damaged roof	140,000
Legal fees	54,200
Site inspection	40,300
Professional fees	15,000
Setting up temporary cabin	24,800
Initial operating losses	27,900

The estimated useful life of the building is 50 years and depreciation provide based on cost.

Required:

- Calculate the initial cost of the building as at 1 June 2022. (3 points)
- Calculate carrying amount of building for the year ended 31 May 2024. (2.5 points)
- Prepare extract Statement of Profit or Loss and Statement of Financial Position as at 31 May 2024. (2.5 points)
- Differentiate between capital expenditure and revenue expenditure and give **ONE (1)** example each. (2 points)

2. (10 points)

Willi AgroFarm Sdn Bhd owns a herd of dairy cattle classified as biological assets under MFRS 141.

The company did not maintain its transaction accordingly but provide the following information for year 2022 and 2023.

Transaction	2022	2023
Cost of purchase new cattle during the year	RM550,000	RM180,000
Fair value less cost to sell at year end	RM700,000	RM950,000

The company's accounting year end is on every 31 December each year.

Required:

- Journalise the transaction for year 2022 and 2023. (8 points)
- Briefly explain at least **TWO (2)** reasons why feeding cost for cattle is not included in measuring the biological asset. (2 points)

PART C
ESSAY

1. (30 points)

AGJ Group Bhd is an agribusiness base in Malaysia and engaged in oil palm tree plantations. The following balances were extracted from their book as at 30 June 2024.

	RM' 000	RM'000
Ordinary share capital		5,000
6% Preference share capital		800
Retained profit as at 1 July 2023		2,500
10 % Debenture		200
3.2% Loan from Affin Bank		400
Freehold Land (cost)	2,000	
Building (cost)	4,000	
Motor vehicle (cost)	600	
Plant and machinery (cost)	700	
Oil palm trees (cost)	1,000	
Biological asset	650	
Accumulated depreciation as at 1 July 2023:		
Building		400
Motor vehicle		120
Plant and machinery		140
Oil palm trees		100
Investment in quoted shares (cost)-Available for sale	380	
Account Receivable/Account Payable	206	450
Inventory as at 30 June 2024	270	
Bank	590	
Sales		2,600
Cost of sale	930	
Administrative expense	600	
Selling and distribution expense	440	
Tax paid	130	
Dividend received		60
Interim dividend paid:		
Ordinary share capital	250	
6% Preference share	24	
	12,770	12,770

Additional information:

a. Depreciation on property, plant and equipment are to be provided as follows:

- Building 5% on cost
- Motor vehicle 10% on carrying value
- Plant and machinery 10% on cost
- Oil palm tree 20 years

The depreciation expense is to be charged to administrative expense except 40% of depreciation on motor vehicle is to be treated as selling and distribution.

- b. Auditor's fee of RM18,000 has not been recorded in the account.
- c. The fair value of investment in quoted shares is RM400,000.
- d. The current year tax is RM150,000.
- e. The payment of interest expense on 10% debenture and bank loan had been made but this transaction is still not recorded.
- f. On 30 June 2024, the directors declared a final dividend of 4% on ordinary shares and the remaining dividend of 6% preference share. Payment will be made on July 2024.

Required:

- i. Prepare the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024. (10.5 points)
- ii. Prepare the Statement of Changes in Equity for the year ended 30 June 2024. (6.5 points)
- iii. Prepare the Statement of Financial Position as at 30 June 2024. (8 points)
- iv. Prepare notes to the account for Property, Plant and Equipment. (5 points)

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

END OF QUESTION PAPER