



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
OCTOBER 2024 SEMESTER**

COURSE CODE : EAB20803
COURSE NAME : FINANCIAL ACCOUNTING AND REPORTING 3
PROGRAMME NAME : BACHELOR IN ACCOUNTING (HONS)
DATE : 10 FEBRUARY 2025
TIME : 2.00 PM – 5.00 PM
DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please **CAREFULLY** read the instructions given in the question paper.
2. This question paper has information printed on both sides of the paper.
3. This question paper consists of **FIVE (5) Questions**.
4. Answer **ALL** questions.
5. Please write your answers on the answer booklet provided.
6. All questions must be answered in **English** (any other language is not allowed).
7. This question paper must not be removed from the examination hall.

THERE ARE ELEVEN (11) PAGES OF QUESTIONS, INCLUDING THIS PAGE.

(Total: 100 marks)

INSTRUCTION: Answer ALL questions.
Please use the answer booklet provided.

Question 1

The financial statements of Gaara and Aletta as at 31 December 2024 are as follows:

	Gaara (RM'000)	Aletta (RM'000)
Investment in Associate	8,000	-
Non-current assets	74,400	22,300
Current assets:		
Inventory	14,620	3,900
Trade receivables	13,660	4,300
Loan receivable	2,000	-
Bank	11,330	7,100
Total	124,010	37,600
Ordinary shares	80,000	20,000
Preference shares	6,000	1,500
Revaluation reserve	3,700	600
Retained earnings		
RE b/f	20,810	6,830
Profit for the year	4,600	2,440
Trade payables	8,900	4,230
Loan payable	-	2,000
Total	124,010	37,600

Statements of Comprehensive Income for year ended 31 December 2024:

	Gaara (RM'000)	Aletta (RM'000)
Sales	28,330	13,240
(-) Cost of sales	(12,300)	(6,880)
Gross profit	16,030	6,360
(-) Operating expenses	(9,210)	(3,050)

Profit before tax	6,820	3,310
(-) Tax expense	(2,220)	(870)
Profit after tax	4,600	2,440
(+) Revaluation gain	1,000	200
Total comprehensive income	5,600	2,640
RE b/f	21,100	4,200
Dividends paid	300	50

Additional information:

1. Gaara Berhad acquired 25% of the ordinary shares of Aletta Sdn Bhd on 1 January 2024 with consideration transferred of RM8 million. Gaara has significant influence in Aletta.
2. During the year, Aletta sold inventories to Gaara at cost plus 25%. Invoice value is RM500,000. 40% of these inventories remained unsold as at year end.
3. Revaluation gain during the year is related to land revaluation surplus. All revaluation adjustments have been recorded.
4. The investment in Aletta was impaired by RM15,000 as at year end.

Required:

- (a) Prepare the Group Statement of Financial Position as at 31 December 2024.
(11 marks)

- (a) Prepare the Group Statement of Comprehensive Income for year ended 31 December 2024.

(5 marks)

[16 marks]

Question 2

The following are the Statements of Profit and Loss for Pedu Bhd and Sendu Sdn Bhd for year ended 31 December 2024:

	Pedu (RM'000)	Sendu (RM'000)
Sales	108,500	19,100
(-) Cost of sales	(69,600)	(8,710)
Gross profit	38,900	10,390
(-) Administration expenses	(22,300)	(5,660)
(-) Other expenses	(1,650)	(470)
(+) Other income	850	-
Profit before taxation	15,800	4,260
(-) Taxation	(4,900)	(820)
Profit after taxation	10,900	3,440
Retained earnings as at 1 January 2024	31,360	11,220
Dividends declared in December 2024		
- Ordinary shares	1,500	400
- Preference shares	-	20

Additional information:

- Pedu acquired 60% of the ordinary shares issued by Sendu on 1 January 2023 when retained earnings of Sendu was RM9.35 million. Pedu also acquired 30% of the preference shares issued by Sendu. Ordinary shares and preference shares issued by Sendu are valued at RM8 million and RM1 million respectively on the acquisition date.
- On the date of acquisition, plant belonging to Sendu has a fair value of RM120,000 more than the carrying value. The useful life of this plant on this date was estimated to be 8 years. The group depreciates on a straight-line basis. The fair value adjustment has not been recorded.
- During the year Pedu sold an equipment to Sendu with a profit of RM60,000 which is recorded as part of other income. This equipment has a useful life of 6 years on the transaction date. Full depreciation is charged in the year of acquisition and none in the year of disposal.

4. Pedu provided consultation to Sendu during the year and recorded this amount of RM200,000 as part of other income. Sendu has charged this payment as part of its other expenses.
5. During the year, Sendu sold inventories to Pedu with the invoice value of RM5 million at cost plus 25%. 40% of these inventories remain unsold as at year end.
6. Partial goodwill was impaired by RM30,000 in the year 2023 and another RM20,000 in the year 2024.

Required:

- (a) Prepare the Consolidated Statement of Profit and Loss for Pedu Berhad's group for year ended 31 December 2024.
(13 marks)
- (b) Prepare an extract of the Consolidated Statement of Changes in Equity for Pedu Berhad's group for year ended 31 December 2024.
(6 marks)

Note: Show all relevant workings

[19 marks]

Question 3

The following are the financial statements of Hideko, Shizu and Soju:

Statements of Profit and Loss for year ended 31 December 2024:

	Hideko (RM'000)	Shizu (RM'000)	Soju (RM'000)
Sales	30,000	18,000	5,400
(-) Cost of sales	(15,600)	(12,200)	(2,900)
Gross profit	14,400	5,800	2,500
(-) Operating expenses	(7,000)	(3,600)	(1,450)
Profit before tax	7,400	2,200	1,050
(-) Tax	(2,000)	(800)	(400)
Profit after tax	5,400	1,400	650

Statement of Financial Position as at 31 December 2024:

	Hideko (RM'000)	Shizu (RM'000)	Soju (RM'000)
Investment:			
Ordinary shares of Shizu	28,400	-	-
Ordinary shares of Soju	-	4,800	-
Land	38,200	13,400	5,660
Property, Plant & Equipment	28,000	5,800	2,540
Current assets:			
Inventory	10,100	5,880	990
Trade receivables	11,300	6,200	1,010
Bank	14,100	3,300	760
Total assets	130,100	39,380	10,960
Ordinary shares	110,000	26,000	8,000
Retained earnings			
B/f	2,300	3,280	1,000
Profit for the year	5,400	1,400	650
Trade payables	12,400	8,700	1,310
Total equities and liabilities	130,100	39,380	10,960

Additional information:

1. Hideko Berhad acquired 80% of the ordinary shares issued by Shizu Sdn Bhd on 1 January 2024. On 1 July 2024, Shizu acquired 75% of the ordinary shares belonging to Soju Sdn Bhd. Assume profits are accrued evenly throughout the year.
2. Shizu sold inventories to Hideko during the year at cost plus 25%. The invoice value is RM200,000 and 60% of these inventories were sold to third parties.
3. The group uses partial goodwill and straight-line depreciation method to prepare its accounts.

Required:

- (a) Prepare the Group Statement of Financial Position as at 31 December 2024 for Hideko group.
(16 marks)
- (b) Prepare the Group Statement of Profit and Loss for Hideko group for year ended 31 December 2024.
(7 marks)

Note: Show ALL relevant workings

[23 marks]

Question 4

The following are Consolidated Financial Statements of Ellgy Group.

Consolidated statements of financial position as at 31 December

	2023 (RM'000)	2024 (RM'000)
Goodwill	1,010	1,120
Investment in associate	500	750
Investment in quoted shares	600	830
Property, plant and equipment	34,220	36,700
Current assets:		
Inventory	3,780	4,150
Trade receivables	3,910	4,360
Bank	2,600	3,800
Total	46,620	51,710
Ordinary share capital	31,900	36,500
Group revaluation reserve	1,300	1,800
Group retained profits	4,110	4,900
Non-controlling interest	2,810	2,990
Debenture	1,300	1,600
Trade payables	3,840	3,660
Deferred tax	720	160
Tax payables	640	100
Total	46,620	51,710

Consolidated statement of profit and loss for the year ended 31 December 2024

	RM'000
Revenue	21,100
(-) Cost of sales	(14,900)
Gross profit	6,200
(-) Operating expenses	(4,300)
(+) Share of profits in associate	500
(-) Loss from disposal of non-current assets	(20)
Profit before tax	2,380
Tax – group	(700)
Profit after tax	1,680
Other comprehensive income (Revaluation gain)	500
Total comprehensive income	2,180
Profit after tax attributable to :	
Shareholders of parent	1,380
Non-controlling interest (NCI)	300

Additional information:

1. Dividends have been paid.
2. Group depreciation on plant, property and equipment was estimated as RM2,200,000. Depreciation and goodwill impairment charge are included as part of operating expenses.
3. During the year, a machinery with book value of RM130,000 was sold at the price of RM110,000.
4. Ellgy acquired a new associate with cash consideration of RM200,000.
5. On 30 June 2024, Ellgy acquired a new subsidiary (80%) QVS, with cash consideration amounting to RM1.5 million. An extract of the acquired subsidiary statement of financial position as at 30 June 2024 is as follows:

	(RM'000)
Non-current assets	1,400
Inventory	450
Trade receivables	350
Bank	400
Trade payables	(900)

Required:

Prepare the Consolidated Statement of Cash Flow for year ended 31 December 2024 using the **indirect method**.

Note: Show ALL relevant workings.

[19 marks]

Question 5

The following are statements of financial position as at 31 December 2024:

	Genting Bhd (RM'000)	Sempah Sdn Bhd (RM'000)
Assets		
Non-current assets:		
Land	22,150	7,990
Plant, property and equipment	10,990	4,860
Investments in Sempah S/B 7,000,000 units Ordinary Shares	3,500	
Current assets:		
Inventories	4,800	2,750
Trade receivables	5,100	2,540
Current account	300	2,780
Cash in bank	6,320	
Total	53,160	20,920
Equities & Liabilities		
Ordinary shares	40,000	16,000
10% Preference shares	3,300	1,000
Revaluation reserve	2,100	650
Retained earnings	3,050	960
Trade payables	4,710	2,110
Current account	-	200
Total	53,160	20,920

Additional information:

- Genting Berhad acquired 70% of the ordinary shares of Sempah Sdn Bhd on 1 January 2023. Consideration transferred was made in the form of immediate cash and ordinary shares of 3 million units with an estimated fair value of RM2.50 on the date of acquisition. Only the cash payment has been recorded. On acquisition date, a plant belonging to Sempah was estimated to have a fair value of RM160,000 more with useful life of 8 years. Retained earnings on this date was recorded as RM500,000. There are no other reserves.
- By end of 2024, land belonging to Genting and Sempah were estimated to have a higher fair value of RM1.2 million and RM400,000 respectively. These fair value changes have not been recorded.

3. During the year, Sempah sold inventories to Genting at cost plus 25% with invoice value of RM150,000. 20% of the inventory remained unsold as at year end. Out of RM150,000 of the invoice value, Genting has paid RM40,000 on 31 December 2024 but the payment was only received on 2 January 2025. This sale was recorded as part of trade receivables.
4. Sempah sold machine to Genting during the year with a profit of RM20,000. The machine has an estimated useful life of 4 years on that date. Full depreciation is adjusted in the year of acquisition and none in the year of disposal.
5. In December 2024, both Genting and Sempah declared ordinary shares dividends of 2.5% and 3% respectively but both companies have yet to record these accruals.
6. Difference in current accounts is due to payment in transit.
7. Partial goodwill and straight-line method depreciation method were used to prepare the financial statements.

Required:

Prepare the Consolidated Statement of Financial Position as at 31 December 2024.

Note: Show ALL relevant workings.

[23 marks]

END OF EXAMINATION PAPER