



**UNIVERSITI KUALA LUMPUR  
BUSINESS SCHOOL**

**FINAL EXAMINATION  
OCTOBER 2025 SEMESTER**

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<b>COURSE CODE</b>	<b>: EAB10503</b>
<b>COURSE NAME</b>	<b>: FINANCIAL ACCOUNTING AND REPORTING 1</b>
<b>PROGRAMME NAME</b>	<b>: BACHELOR IN ACCOUNTING (HONS)</b>
<b>DATE</b>	<b>: 31 JANUARY 2026</b>
<b>TIME</b>	<b>: 09:00AM – 12:00PM</b>
<b>DURATION</b>	<b>: 3 HOURS</b>

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**INSTRUCTIONS TO CANDIDATES**

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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.**

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**THERE ARE SEVEN (7) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.**

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(Total: 100 marks)

**INSTRUCTION: Answer ALL questions.**

**Please use the answer booklet provided**

### Question 1

Manufacturing enterprises draw up the manufacturing account to determine the production cost of completed goods. Manufacturing enterprises produce the finished goods for resale and involve production activities besides normal selling and administrative activities. Hence, they need to determine the production cost in arriving at their cost of good sold.

#### Required:

Identify whether the items below refer to direct material cost, direct labour cost, direct expenses or production overhead cost.

- i. Wages of assembly workers
- ii. Repairs of machines
- iii. Purchase of direct materials
- iv. Depreciation of machines
- v. Freight charges on direct material
- vi. Purchase of loose tools
- vii. Factory rent and rates

[7 marks]

### Question 2

Hili and Dali are in partnership sharing profits and losses: Hili  $\frac{3}{5}$  and Dali  $\frac{2}{5}$  after giving each partner 8% per annum interest on capital and annual salaries of RM28,000 to Hili and RM18,000 to Dali.

Hili and Dali decided as from 1 July 2025 the profits or losses will be shared equally after giving each partner 10% per annum interest on capital and annual salaries of RM32,000 to Hili and RM30,000 to Dali.

The financial statements are made up to the 31 December of each year.

The profit for the year ended 31 December 2025 was RM150,000 which is assumed to have been earned evenly over the year.

The following is the statement of financial position as at 31 December 2025 before the appropriation of the profit between the partners and any other entries relating to the change in the partners profit sharing ratio:

**Hili and Dali**  
**Statement of Financial Position as at 31 December 2025**

<b>ASSETS</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<i>Non-current assets</i>			
Freehold premises as at 31.12.2024			600
<i>Current assets</i>			
Inventories		105	
Trade receivables		45	
Bank		25	175
<b>Total assets</b>			<b>775</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Capital</i>			
Capital accounts as at 31.12.2024	300	250	550
Current accounts	26	14	40
Net profit			150
	326	264	740
<i>Current liabilities</i>			
Trade payables			35
<b>Total equity and liabilities</b>			<b>775</b>

**Additional information:**

- On the 1 July 2025, the freehold land and buildings were revalued at RM650,000. The partners also agreed that the book values of the other assets and liabilities as at 1 July 2025 represented their current net realisable values.

2. The goodwill as at 1 July 2025 was valued at RM100,000, but no goodwill account is to be maintained in the books.

**Required:**

- (a) Prepare the partners' capital accounts as at 1 July 2025 showing the effects of the change in the partners' profit-sharing ratio on their claims on the partnership assets. (7 marks)
  - (b) Prepare the profit and loss appropriation account for the year ended 31 December 2025. (8 marks)
  - (c) Prepare the statement of financial position as at 31 December 2025, reflecting all adjustments to the partners current accounts arising from the change in the partners' profit-sharing ratio. (10 marks)
- [25 marks]**

**Question 3**

Alyssa is a sole trader operating a pet rabbit boarding and grooming services in the upscale location Persiaran KLCC. Alyssa prepares her financial statements annually on 31 December. Her summarised statements of financial position for the last two years are as follows:

**Alyssa**  
**Statement of Financial Position as at 31 December 2025 and 2024**

<b>NON-CURRENT ASSET</b>	<b>2025</b>	<b>2024</b>
Equipment at cost	20,150	21,950
Less: Accumulated depreciation	(12,090)	(8,780)
Equipment at NBV	8,060	13,170

**CURRENT ASSET**

Inventories	14,820	12,040
Trade receivables	10,670	13,920
Cash in hand	850	790
	<u>34,400</u>	<u>39,920</u>

**EQUITY AND LIABILITIES**

Opening balance	19,140	17,200
Net profit for the year	1,200	5,940
Additional capital introduced	-	3,000
Less: Drawings	(3,000)	(7,000)

**NON-CURRENT LIABILITIES**

Loan	3,000	8,000
	<u>17,340</u>	<u>19,140</u>

**CURRENT LIABILITIES**

Bank overdraft	1,600	2,400
Account payable	12,460	10,380
	<u>34,400</u>	<u>39,920</u>

**Additional information:**

1. Depreciation of equipment during the year was RM4,030.
2. Equipment costing RM1,800 was sold for RM1,300 cash when the carrying amount was RM1,080.

**Required:**

Prepare a Statement of Cash Flows for the year ended 31 December 2025 using the **indirect method**.

(18 marks)

## Question 4

As the treasurer of the Beast Football Club, you were given the following summary of the receipts and payments for the year ended 30 June 2025:

<b>Bank account</b>			
	<b>RM</b>		<b>RM</b>
Bank balance at 1 July 2024	695	Rates	490
Bar takings banked	5,430	Electricity	255
Subscriptions received	3,610	Purchase of new grass mower	520
Sale of dance tickets	685	Bar staff wages	2,200
Gate money received	8,490	Bar credit suppliers	4,980
		Band for dance	490
		Telephone	310
		Stationery	175
		Bank balance at 30 June 2025	9,490
	<b>18,910</b>		<b>18,910</b>

**Additional information:**

1. Beast Football Club has the following assets and liabilities at 1 July 2024:

<b>Item</b>	<b>RM</b>
Freehold land and buildings at cost	50,000
Equipment at written down value (WDV)	12,200
Grass mower at cost	135
Bar trade payables	1,380
Subscriptions in advance	190
Subscriptions in arrears	105
Bar inventories	2,340
Rates in advance	240
Electricity accrued	85

2. Bar inventories as at 30 June 2025 worth RM2,560.
3. Bar trade payables as at 30 June 2025 amounting to RM980.

4. Rates paid include RM400 for the six months to 30 September 2025.
5. Electricity in arrears as at 30 June 2025 amounting to RM70.
6. Subscriptions in arrears as at 30 June 2025 amounting to RM95.
7. Subscriptions in advance as at 30 June 2025, amounting to RM115.
8. The following amounts have been paid from bar takings before they were banked:

Item	RM
Sundry expenses	25
Bar purchases	235
Office salaries	1,200
Stationery	45
Travelling expenses	140

9. The new grass mower was purchased by putting in part exchange the old one, for which the trade-in value was RM180.
10. Depreciation on the equipment is 20% per annum using the reducing balance method. No depreciation is charged on the grass mower.

**Required:**

- (a) Prepare a statement showing the accumulated fund of the club as at 30 June 2024.  
(7 marks)
- (b) Prepare a bar trading for the year ended 30 June 2025.  
(6 marks)
- (c) Prepare the Income and Expenditure account showing the result for the year ended 30 June 2025.  
(12 marks)

- (d) Prepare the Statement of Financial Position as at 30 June 2025. Show all relevant workings.

(7 marks)

**[32 marks]****Question 5**

The following information relating to the year ended 30 April 2025 has been extracted from the books of A. Romeo, a motor vehicle component manufacturer:

	RM		RM
Sales revenue	298,000	Sales staff salaries	41,700
Inventories of direct materials 1.5.2024	7,900	Accounting staff salaries	38,200
Inventories of direct materials 30.4.2025	6,200	Royalties paid for Gucci licence	17,500
Work in progress 1.5.2024	8,400	Electricity for machinery	9,200
Work in progress 30.4.2025	9,600	Repairs to plant	6,700
Inventories of finished goods 1.5.2024	5,400	Bad debts	5,100
Inventories of finished goods 30.4.2025	6,800	Interest on bank loan	7,400
Purchase of direct materials	68,400	Depreciation - plant	18,600
Direct wages	52,600	Depreciation - vehicles	13,200
Supervisors' salaries	34,800	Depreciation – office equipment	11,500

**Required:**

- (a) Prepare a Manufacturing account for the year ended 30 April 2025.

(8 marks)

- (b) Prepare a Statement of Profit or Loss for the year ended 30 April 2025.

(10 marks)

**Note:** Show total direct/prime costs, manufacturing/factory costs, cost of completed production and cost of sales.

**[18 marks]****END OF EXAMINATION PAPER**