



FINAL EXAMINATION

MARCH 2024

COURSE TITLE	FINANCIAL ACCOUNTING AND REPORTING 1
COURSE CODE	AACT2123
DATE/DAY	29 JUNE 2024 / SATURDAY
TIME/DURATION	01:00 PM - 04:00 PM / 03 Hour(s) 00 Minute(s)

INSTRUCTIONS TO CANDIDATES :

1. Please read the instruction under each section carefully.
2. Candidates are reminded not to bring into examination hall/room any form of written materials or electronic gadget except for stationery that is permitted by the invigilator.
3. Students who are caught breaching the Examination Rules and Regulation will be charged with an academic dishonesty and if found guilty of the offence, the maximum penalty is expulsion from the University.

(This Question Paper consists of 4 Printed Pages including front page)

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

This question paper consists of FOUR (4) questions. Answer ALL questions in the answer booklet provided. **[80 MARKS]**

QUESTION 1

(25 Marks)

The following are extracts from financial statement of Helium Berhad for the year ended May 31 2023 and 2024.

Statement of Financial Position (Extracts)	2024 (RM)	2023 (RM)
Inventories	230,000	185,000
Prepayment	14,000	16,000
Trade receivable	52,000	30,000
Cash	15,000	38,000
Trade payable	39,000	44,000
Income tax payable	5,000	4,000

Statement of Profit and Loss (Extracts)	2024 (RM)
Revenue	500,000
Cost of sales (includes depreciation of RM6,000)	(310,000)
Gross profit	190,000
Operating expenses (includes depreciation of RM6,000)	(80,000)
Finance costs	(21,000)
Profit before tax	89,000
Taxation	(30,000)
Profit after tax	59,000

Required:

- Prepare cash flow from operating activities by using direct method. (10 marks)
- Prepare cash flow from operating activities by using indirect method. (10 marks)
- Explain FIVE (5) advantages of preparing cash flow. (5 marks)

QUESTION 2

(10 Marks)

- Explain the term "regulatory framework" as it applies to financial reporting. Why is this framework needed? (5 marks)
- Explain the main classes of information that should be presented in general purpose of financial reports. (5 marks)

QUESTION 3

(30 Marks)

Maddy Berhad company with the following trial balance as at 31st May 2024.

Account	Debit RM'000	Credit RM'000
Building at cost	740	
Accumulated depreciation -Building, 1 st June 2023		60
Plant at cost	220	
Accumulated depreciation -Building, 1 st June 2023		110
Land at cost	235	
Bank		50
Revenue		1,800
Purchases	1,105	
Discount received		90
Return inwards	35	
Wages	180	
Energy expenses	105	
Inventory at 1 st June 2023	160	
Trade payables		250
Trade receivables	320	
Administrative expenses	80	
Allowance for receivable , at 1 st June 2023		10
Director's remuneration	70	
Retained earnings, at 1 st June 2023		130
10% loan notes		50
Dividend paid	30	
RM1 Ordinary share		730
TOTAL	3,280	3,280

Additional information:

- Inventory at 31st May 2023 was valued at RM75,000.
- An invoice of RM15,000 for energy expenses for May 2024 has not been received.
- Loan note interest has not been paid for the year.
- The item listed below should be a portion as indicated.

	Cost of sales	Distribution cost	Administrative expenses
Discount received	-	-	100%
Energy expenses	40%	20%	40%
Wages	40%	25%	35%
Director's remuneration	-	-	100%

- Income tax of RM45,000 is to be provided for the year.
- The allowance for receivables is to be increased to 5% of trade receivables.
- Building are depreciated at 5% per annum on their original cost, allocated 30% to cost of sales, 30% to distribution cost and 40% to administrative expenses.
- Plant is depreciated at 20% per annum using reducing balance method. The entire charge is to be allocated to cost of sales.

Required:

- a) Prepare a statement of comprehensive income for the year ended 31st May 2024. (15 marks)
- b) Prepare statement of financial position as at 31st may 2024. (15 marks)

QUESTION 4

(15 Marks)

- a) Explain the purpose of accounting standards (whether national or international). (3 marks)
- b) Explain the qualitative characteristics of useful financial information. (12 marks)

***** END OF QUESTION PAPER *****

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