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**SULIT**



**BAHAGIAN PEPERIKSAAN DAN PENILAIAN  
JABATAN PENDIDIKAN POLITEKNIK  
KEMENTERIAN PENDIDIKAN TINGGI**

**JABATAN PERDAGANGAN**

**PEPERIKSAAN AKHIR**

**SESI JUN 2016**

**APA8013: FINANCIAL REPORTING 2**

**TARIKH : 2 NOVEMBER 2016**

**MASA : 08.30 AM - 11.30 AM (3 JAM)**

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Kertas ini mengandungi **SEMBILAN (9)** halaman bercetak.  
Esei (5 soalan)

Dokumen sokongan yang disertakan : **TIADA**

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**JANGAN BUKA KERTAS SOALAN INI SEHINGGA DIARAHKAN**

(CLO yang tertera hanya sebagai rujukan)

**SULIT**

**INSTRUCTIONS:**

This section consists of **FIVE (5)** essays questions. Answer **ALL** questions.

**QUESTION 1**

The statements of financial position of Pedma Bhd. and its investee companies, Sisma Bhd. and Atma Bhd., as at 31 December 2013 are shown below.

**STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013**

	<i>Pedma</i> RM000	<i>Sisma</i> RM000	<i>Atma</i> RM000
<b><i>Non-current assets</i></b>			
Freehold property	1,950	1,250	500
Plant and machinery	795	375	285
Investments	1,500		
<b><i>Current assets</i></b>			
Inventory	535	320	275
Trade receivables	370	290	360
Cash	50	100	20
<b>Total assets</b>	<b><u>5,200</u></b>	<b><u>2,335</u></b>	<b><u>1,440</u></b>
<b><i>Equity and liabilities</i></b>			
<b><i>Equity</i></b>			
Share capital - RM1 shares	2,000	1,000	750
Retained earnings	1,460	885	390
<b><i>Non-current liabilities</i></b>			
12% loan stock	500	150	
<b><i>Current liabilities</i></b>			
Trade payables	680	300	300
Other payables	560		
<b>Total equity and liabilities</b>	<b><u>5,200</u></b>	<b><u>2,335</u></b>	<b><u>1,440</u></b>

## Additional information

- (a) Pedma Bhd. acquired 600,000 ordinary shares in Sisma Bhd. on 1 January 2008 for RM1,000,000 when the retained earnings of Sisma Bhd. were RM200,000.
- (b) The fair value of Sisma Bhd.'s assets were equal to their carrying amount at the acquisition date except of freehold property. The fair value of its freehold property was considered to be RM400,000 greater than its value in Sisma Bhd's statement of financial position. Sisma Bhd. had acquired the property in January 2008 and the buildings element (comprising 50% of the total value) is depreciated on cost over 40 years.
- (c) Pedma Bhd. acquired 225,000 ordinary shares in Atma Bhd. on 1 January 2012 for RM500,000 when the retained earnings of Atma Bhd. were RM150,000.
- (d) Sisma Bhd. manufactures a component used by Pedma Bhd. Transfers are made by Sisma Bhd. at cost plus 25%. Pedma had RM75,000 of these good in inventory as on 31 December 2013.
- (e) Sisma's trade payable account (in the record of Pedma Bhd.) of RM30,000 did not agree with Pedma's trade receivable account due to cash in transit of RM10,000 paid by Pedma.
- (f) The goodwill in Sisma Bhd. is impaired and should be fully written off. An impairment loss of RM95,000 is to be recognised on the investment in Atma Bhd..
- (g) Pedma policy was to value the non controlling interest at fair value at the date of acquisition. Senta's share price at that date was RM1.60 could be used as the fair value of share held by the non controlling interest.

CLO 2  
C5

**You are required to prepare consolidated statement of financial position for Pedma Group as at 31 December 2013.**

**(25 marks)**

**QUESTION 2**

The following information is related to the statement of financial position of Kaplone Berhad.

Summarised statements of financial position as at:

	31 March 2013		31 March 2012	
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment		19,600		25,500
Current assets				
Inventory		12,500		4,500
Trade receivable		3,500		1,900
Tax refund due		500		
Bank		400		1,700
		-----		-----
Total assets		36,500		33,600
<b>Equity and liabilities</b>				
Equity				
Equity shares of RM1 each		15,000		10,000
Share premium	3,200		4,000	
Retained earnings	4,500	7,700	7,300	11,300
		-----		-----
		22,700		21,300
Non-current liabilities				
Finance lease obligation	5,000		4,000	
Deferred tax	1,000	6,000	800	4,800
	-----		-----	
Current liabilities				
Tax payable			2,500	
Bank overdraft	1,300			
Finance lease obligation	1,700		800	
Trade payable	4,800	7,800	4,200	7,500
		-----		-----
Total equity and liabilities		36,500		33,600
		-----		-----

**Statement of comprehensive income for the years ended:**

	31 March 2013	31 March 2012
	RM'000	RM'000
Revenue	56,200	40,500
Cost of sales	(45,300)	(25,000)
	-----	-----
Gross profit	10,900	15,500
Operating expenses	(8,000)	(6,000)
Finance costs (note (iii))	(900)	(500)
	-----	-----
Profit before tax	2,000	9,000
Income tax	(700)	(2,800)
	-----	-----
	1,300	6,200

The following additional information is available:

- (i) Property, plant and equipment is made up of:

As at	31 March 2013	31 March 2012
	RM'000	RM'000
Leasehold property		8,800
Owned plant	12,700	14,100
Lease plant	6,900	2,600
	-----	-----
	19,600	25,500
	-----	-----

During the year Kaplone sold its leasehold property for RM10.2 million. There were no additions to or disposals of owned plant during the year. The depreciation charges (to cost of sales) for the year ended 31 March 2013 were:

Depreciation	RM'000
Leasehold property	200
Owned plant	1,700
Leased plant	1,800
	-----
	3,700
	-----

(ii) On 1 August 2012, Kaplone issued bonus share from share premium of one new issue for every five held. Kaplone also issued share at premium on 1 November 2012 and fully subscribed.

(iii) The finance costs are made up of:

For year ended:

	31 March 2013
	RM'000
Finance lease charges	500
Interest	400
	-----
	900
	-----

**Required:**

CLO 1  
C5

**Prepare a statement of cash flows for Kaplone for the year ended 31 March 2013 in accordance with MFRS 107 *Statement of cash flows*, using the indirect method;**  
**(25 marks)**

**QUESTION 3**

Delltov Bhd. sells sports equipment through its retail center throughout the country since 2002. The company enjoyed good business until last three years which it has experienced declining in profitability. The company hired a professional firm to help them to produce industry ratios for purpose of analysis. Below are the financial statements of the company for the year ended 31 December 2013 and its industry ratios for the period

**Delltov Bhd****Statement of financial position at 31 Dec 2013**

	RM'000	RM'000
<b>Assets</b>		
Non-current asset		
Property and fixtures		26,400
Deferred development expenditure		5,100
		-----
		31,500
Current Asset		
Inventory	10,200	
Bank	1,100	11,300
		-----
Total assets		42,800
		-----
<b>Equity and liabilities</b>		
Equity		
Equity shares of RM1 each		15,000
Asset revaluation reserve		3,200
Retained earnings		8,600
		-----
		26,800
Non current liabilities		
10% loan notes		8,500
Current liabilities		
Trade payable	5,600	
Current tax payable	1,900	7,500
	-----	-----
		42,800
		=====

**Delltov Bhd.****Statement of financial position for the year ended 31 December 2013**

	RM'000	RM'000
Revenue		55,500
Opening Inventory	8,300	
Purchases	43,500	
	-----	
	51,800	
Closing Inventory	(10,200)	(41,600)
	-----	-----
Gross profit		13,900
Operating costs		(9,600)
Finance costs		(850)
		-----
Profit before tax		3,450
Income tax expense		(1,200)
		-----
Profit for the year		<u>2,250</u>

**Industry ratio for comparison**

Return on year-end capital employed (ROCE)	16.80%
Net asset (total assets less current liabilities) turnover	1.4 times
Gross profit margin	35%
Operating profit margin	12%
Current ratio	1.25 :1
Average inventory turnover	3 times
Trade payables' payment period	64 days
Debt to equity	38%

**Required:**

- (a) Calculate the equivalent ratios that have been provided above. (8 marks)
- (b) Assess the performance of the company and its financial position as compared to industry average. (12 marks)
- (c) Explain three limitations of the usefulness of using financial ratios to analyze company performances. (5 marks)

CLO 3  
C4



**Question 4**

Performance appraisals for not-for-profit organisation is different compared to profit organisation due to several differences between them.

**Required:**

By using your own example, discuss several ways to assess the performance of management staff for a not-for-profit organisation compared to profit organisation.

(10 marks)

**Question 5**

- (a) Quick Bhd. had in issued 2.5 million ordinary shares and 300,000 units, 7% convertible preference shares of RM1 each. One preference share could be converted into 1 ordinary share in 2020. The profit after tax for the year 2013 was RM650,000.

**Required:**

Calculate the basic and diluted EPS for 2013 .

(6 marks)

- (b) On 28 November 2015 Klone Bhd. ceased its operation from its plant in Perak due to a downturn in the economy. The plant had a carrying value of RM 10 million. The management believed that the market will improve and had decided at the 31 December 2015 which was its financial year end to maintain the plant in working condition. Klone Bhd. subsequently sold the plant in Mac 2016 when a company, Antara Bhd. offered to buy the plant for RM13 million.

**Required:**

Discuss the accounting treatment for these assets for the year ended 31 December 2015

(9 marks)

**-SOALAN TAMAT -**