

<b>QUESTION 1 (a)</b>						<u>MARK/NOTES</u>
Identify the right-of-use asset (ROU).						<b>Total 5 marks</b>
<u>Answer</u>						
ROU = RM 120,000 X PV (5%, 3 yr) //						/ = 1 mark
= RM 120,000 x 2.7232/						
= RM 326,784.4 //						5 ticks x 1 = 5 marks
<b>QUESTION 1 (b)</b>						<b>Total 15 marks</b>
Detail the measurement of lease liability.						
<u>Answer</u>						
Date	Bal. b/d (RM)	Interest 5% (RM)	Total Liability (RM)	Instalment (RM)	Bal. c/d	Total / = 15 ticks
31/12/2019	326,784.4 /	16,339.32/	343,123.72/	120,000 /	223,123.72 /	
31/12/2020	223,123.72 /	11,156.18 /	234,279.99 /	120,000 /	114,279.91 /	= 15 marks
31/12/2021	114,279.91 /	5,713.99 /	119,993.9 /	120,000 /	0 /	
<b>QUESTION 1 (c)</b>						<b>Total 5 marks</b>
Prepare the extracted Statement of Comprehensive Income for the year ended 31 December 2020 and extracted Statement of Financial Position as at 31 December 2020.						
<u>Answer</u>						
AMARA Berhad Extracted Statement of Comprehensive Income for the year ended 31 December 2020						
<b>(-) Expenses:</b>		<b>RM</b>				
Depreciation (326,784.4/3)		108,928 /				
Interest		11,156 /				
AMARA Berhad Extracted Statement of Financial Position as at 31 December 2020						/ = 1 mark
		<b>RM</b>				Total / = 5 ticks = 5 marks
<b>Non Current Asset:</b>						
Right-of-use asset		108,928 /				
<b>Non Current Liabilities:</b>						
Lease Liability		0 /				
<b>Current Liabilities:</b>						
Lease Liability		114,279.91 /				

						<u>MARK/NOTES</u>
<b>QUESTION 2 (a) i</b>						
a) Calculate the capitalization rate.						<b>Total 5 marks</b>
<u>Answer</u>						
	<b>Loan</b>	<b>Interest Expenses</b>	<b>Rate</b>	<b>Weighted Average</b>	<b>Capitalization Rate</b>	
	<b>(RM)</b>	<b>(RM)</b>				
15 years loan	17,000,000 /	1,700,000	10% /	17/20 /	8.5/	Total / = 10 ticks
8 years loan	3,000,000 /	60,000	2% /	3/20 /	3.0 /	
<b>Total</b>	20,000,000 /	1,760,000			11.5/	10 ticks / 10 x 5 = 5 marks
<b>QUESTION 2 (a) i</b>						
b) Calculate the borrowing cost eligible for capitalization.						<b>Total 3 marks</b>
<u>Answer</u>						
	<b>Usage</b>	<b>Amount (RM)</b>	<b>Capitalization Rate</b>	<b>Total</b>		
	<b>General:</b>					
	30/4/2021	4,400,000 /	11.5%	337,333.33 /		Total / = 6 ticks
	31/10/2021	15,000,000 /	11.5%	<u>287,500.00 /</u>		6 ticks / 6 x 3 = 3 marks
	<b>Total Borrowing Cost Capitalized</b>			<b>624,833.33 //</b>		
<b>QUESTION 2 (a) i</b>						
c) Calculate interest charge in statement of comprehensive income.						<b>Total 2 marks</b>
<u>Answer</u>						
	<b>Sources</b>	<b>Interest Expenses</b>				
		<b>(RM)</b>				
	15 years loan	1,700,000 /				Total / = 4 ticks
	8 years loan	60,000 /				4 ticks / 4 x 2 = 2 marks
	Total Interest Expenses	1,760,000 /				
	(-) Total Borrowing Cost Capitalized	<u>(624,833.33)</u>				
	<b>Total Interest charged in SOCI</b>	<b>1,135,166.67 /</b>				

				<u>MARK/NOTES</u>																								
<p><b>QUESTION 2 (a) ii)</b> Justify <b>TWO (2)</b> action that the company should take for borrowing costs that are eligible for capitalization.</p> <p><b>Answer</b></p> <p>1.An entity shall disclose borrowing costs in their financial statement./ 2.An entity shall disclose the purpose of borrowing in their financial statement./</p> <p>*Any relevant answer will be accepted</p>				<p><b>Total 5 marks</b></p> <p>/ = 2.5 marks</p> <p>2 ticks x 2.5 = 5 marks</p>																								
<p><b>QUESTION 2 (b) i)</b> You are required to prepare the appropriate journal entries with relevant calculation for each situation.</p> <p><b>Answer</b></p> <p>Situation A:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date:</th> <th style="width: 40%;">Item:</th> <th style="width: 20%;">Debit (RM)</th> <th style="width: 30%;">Credit (RM)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td></td> <td></td> <td></td> </tr> <tr> <td>31/12</td> <td>Trade payable Retained profit</td> <td>11,200,000/</td> <td>11,200,000/</td> </tr> </tbody> </table>				Date:	Item:	Debit (RM)	Credit (RM)	2021				31/12	Trade payable Retained profit	11,200,000/	11,200,000/	<p><b>Total 5 marks</b></p> <p>Total / = 10 ticks</p>												
Date:	Item:	Debit (RM)	Credit (RM)																									
2021																												
31/12	Trade payable Retained profit	11,200,000/	11,200,000/																									
<p>Situation B:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 50%;">Cost</td> <td style="width: 50%;">2,800,000 /</td> </tr> <tr> <td>Useful life 15 years</td> <td>14 years /</td> </tr> <tr> <td>Depreciation</td> <td>RM 200,000 /</td> </tr> </tbody> </table> <p>1<sup>st</sup> January 2021</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 50%;">Carrying amount</td> <td style="width: 50%;">2,800,000 – (200,000 x3) = 2,200,000 /</td> </tr> <tr> <td>Useful life</td> <td>10 years /</td> </tr> <tr> <td>Depreciation</td> <td>RM 220,000 /</td> </tr> </tbody> </table> <p>Journal Entry:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Date:</th> <th style="width: 40%;">Item:</th> <th style="width: 20%;">Debit (RM)</th> <th style="width: 30%;">Credit (RM)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td></td> <td></td> <td></td> </tr> <tr> <td>31/12</td> <td>Depreciation Acc Depreciation</td> <td>220,000 /</td> <td>220,000/</td> </tr> </tbody> </table>				Cost	2,800,000 /	Useful life 15 years	14 years /	Depreciation	RM 200,000 /	Carrying amount	2,800,000 – (200,000 x3) = 2,200,000 /	Useful life	10 years /	Depreciation	RM 220,000 /	Date:	Item:	Debit (RM)	Credit (RM)	2021				31/12	Depreciation Acc Depreciation	220,000 /	220,000/	<p>10 ticks / 10 x 5 = 5 marks</p>
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<b>QUESTION 2 (b) ii)</b>				<u>MARK/NOTES</u>
Classify the element of transactions below according to MFRS 108.				<b>Total 5 marks</b>
<u>Answer</u>				
No	Transaction	Changes Accounting Policies or Changes in accounting estimate or Error	Retrospectively or Prospectively adjustment	
i.	Melur Holding adopt MFRS 16- Leases starting 1 January 2020.	Changes in accounting policies/	Retrospectively/	Total / = 10 ticks
ii.	The end of year 2021, Mr Henry, accountant of Garuda Bhd discovered that payment made to supplier Gojes Bhd for June 2021 was accounted as payment to supplier Gajus Bhd.	Error/	Prospectively/	
iii.	A machine depreciated on a straight line basis over 8 years was revised to 5 years with no residual balance.	Changes in accounting estimates/	Prospectively/	10 ticks / 10 x 5 = 5 marks
iv.	Ali Holding change method of valuing inventory from first in first out (FIFO) method to weighted average method.	Changes in accounting policy/	Retrospectively/	
v.	The amount of office extension expenses recorded as revenue expenses in 2020. This matter was discovered on year 2021.	Error/	Retrospectively/	
<b>QUESTION 3 (a)</b>				<b>Total 5 marks</b>
Detail the carrying amount, recoverable amount, and impairment loss.				
<u>Answer</u>				
			RM '000	
	Goodwill		5,600 /	
	Equipment		4,300 /	
	Plant (8,600 – 900)		7,700 /	Total / = 10 ticks
	Receivables and Cash		4,000 /	
	Carrying amount		21,600 //	
	Recoverable amount (as given)		7,000 //	10 ticks / 10 x 5 = 5 marks
	Carrying amount ('000)	Recoverable amount ('000)	Impairment loss ('000)	
	RM 21,600	RM 7,000	RM 14,600 //	

					<u>MARK/NOTES</u>
<b>QUESTION 3 (b) (i)</b>					<b>Total 10 marks</b>  /= 1 mark  10 ticks x 1 = 10 marks
Calculate the allocation of impairment loss to cash generating unit.					
<b><u>Answer</u></b>					
Assets	Carrying amount (RM '000)	Calculation	Impairment loss	New carrying amount (RM '000)	
Goodwill	5,600	14,600 /	5,600 /	0 /	
Pro rata basis 9,000 (14,600 – 5,600) will be allocated to:					
Equipment	4,300	4.3/12 x 9,000 /	3,225 /	1,075 /	
Plant	7,700	7.7/12 x 9,000 /	5,775 /	1,925 /	
Receivables & Cash	4,000	No impairment loss to current asset	-	4,000 /	
	21,600		7,300	7,000	
<b>QUESTION 3 (b) (ii)</b>					<b>Total 5 marks</b>  /= 1 mark  5 ticks x 1 = 5 marks
Based on answer b(i), determine the journal entry for the situation.					
<b><u>Answer</u></b>					
Dr. Impairment loss		RM 14,600 //			
Cr. Goodwill			RM 5,600 /		
Cr. Equipment			RM 3,225 /		
Cr. Plant			RM 5,775 /		
<b>QUESTION 3 (c)</b>					<b>Total 5 marks</b>
Set-up the extracted Statement of Comprehensive Income for the year ended 31 June 2021 and extracted Statement of Financial Position as at 30 June 2021.					
<b><u>Answer</u></b>					
Extracted Statement of Comprehensive Income for the year ended 30 June 2021					
				RM '000	
<b><u>Expenses:</u></b>					
Impairment loss CGU				14,600 //	

Extracted Statement of Financial Position as at 30 June 2021		<u>MARK/NOTES</u>
	RM '000	
<b><u>Non-Current Asset</u></b>		
Equipment	1,075 /	/ = 1 mark
Plant	1,925 /	
<b><u>Current Asset</u></b>		5 ticks x 1 = 5 marks
Receivables & Cash	4,000 /	

		<u>MARK/NOTES</u>
<b>QUESTION 4 (a)</b>		
Statement of Comprehensive Income for the year ended 31 March 2020.		<b>Total 10 marks</b>
<u>Answer</u>		
WARNA BERHAD		
Statement of Comprehensive Income for the year ended 30 June 2021/		
	RM	RM
<b>Gross Profit</b>		<b>1,139,700/</b>
(-) Administrative, Distribution & Finance cost		
Administrative expenses	147,000/	
Debenture interest	30,000/	
Directors remuneration	38,400/	
Impairment loss	12,000/	
Increase in provision for doubtful debts	2,700/	
Depreciation for Plant & machinery	<u>114,600/</u>	<b>(344,700)</b>
Profit before taxation		795,000/
(-)Taxation		(33,750)/
Profit after taxation		<b>761,250/</b>
<b>Other comprehensive income</b>		
Revaluation on quoted investment	75,000/	
Revaluation on unquoted investment	30,000/	
Revaluation Land	225,000/	<b>330,000</b>
<b>Total Comprehensive Income</b>		<b>1,091,250/</b>
		Total / = 15 ticks
		20 ticks / 20 x 10 = 10 marks

<b>QUESTION 4 (b)</b>							<u>MARK/NOTES</u>
Statement of Changes in Equity for the year ended 31 March 2020.							<b>Total 5 marks</b>
<u>Answer</u>							
WARNA BERHAD							
Statement of Changes in Equity for the year ended 30 June 2021/							
	Ordinary Shares (RM)	Preference shares (RM)	General Reserve (RM)	Retained Earnings (RM)	Revaluation Reserve (RM)	Total (RM)	
Balance b/d	750,000	420,000	216,300	105,000/			Total / = 10 ticks
Profit after tax				761,250/			
<b>Appropriate:</b>							
Transfer to General Reserve			82,500/	(82,500)/			
<b>Interim dividends:</b>							
Preference				(6,000)/			10 ticks / 10 x 5
Ordinary				(22,500)/			= 5 marks
Revaluation Land					225,000/		
Quoted Investment					75,000/		
Unquoted Investment					30,000/		
	<b>750,000</b>	<b>420,000</b>	<b>298,800</b>	<b>755,250</b>	<b>330,000</b>	<b>2,554,050/</b>	



				<u>MARK/NOTES</u>
<b>QUESTION 4 (c)</b>				
Statement of Financial Position as at 31 March 2020.				<b>Total 10 marks</b>
<b><u>Answer</u></b>				
WARNA BERHAD Statement of Financial Position as at 30 June 2021/				
	RM	RM	RM	
<b>Non-Current Assets</b>				
Land		525,000/		
Plant and machinery		762,900/		
Quoted Investment		375,000/		
Unquoted Investment		300,000/	1,962,900	
<b>Current Assets</b>				
Inventory	123,000/			
Trade receivables	136,800/			
Bank	815,100/	1,074,900/		
<b>Current Liabilities</b>				
Trade payables	141,000/			
Debenture interest accrued	9,000/			
Tax Payable	33,750/	(183,750/)		
Working capital			891,150/	
			<b>2,854,050</b>	
<b>Financed by:</b>				
Ordinary share capital		750,000/		
8% Preference share capital		420,000/		
General Reserve		298,800/		
Retained Profit		755,250/		
Revaluation reserve		330,000/		
<b>Non-current Liabilities</b>				
10% Debentures		300,000/		
			<b>2,854,050</b>	
<i>“If the working method is different from the solution given, make an appropriate adjustment to the marking scheme with approval from Program Leader”</i>				
				Total / = 20 ticks
				20 ticks / 20 x 10 = 10 marks