

SECTION B: SUBJECTIVE QUESTIONS (84%)**QUESTION 1 (28%) (40.2, 40.4, 40.6)**

The following were the financial statements of P Bhd and S Bhd :

**Statement of Financial Position
As at 31 December 2015**

	P Bhd		S Bhd	
	RM	RM	RM	RM
Non- current Assets				
Property, Plant and Equipment	600,000		108,000	
Less: Accumulated Depreciation	(60,000)	540,000	(20,000)	88,000
Investment in S Bhd		84,600		-
		624,600		88,000
Current Assets				
Inventory	80,000		25,000	
Trade Receivables	32,000		18,000	
S Bhd Current	3,000		-	
Cash and Cash equivalents	10,400	125,400	7,600	50,600
		750,000		138,600
Equity				
Ordinary Share Capital of RM 1 each		400,000		80,000
Preferred Share Capital of RM 1 each		100,000		10,000
Share Premium		50,000		8,000
Retained Profits		105,000		22,000
		655,000		120,000
Non-Current Liabilities				
Loan Notes	60,000		10,000	
Current Liabilities				
Trade Payables	35,000		7,000	
P Bhd Current	-	95,000	1,600	18,600
		750,000		138,600

The following information should be taken into account:

- (1) On 1 January 2013, P Bhd acquired **80%** of the ordinary shares and RM6,000 worth of loan notes of S Bhd. On the same date, the retained profits and share premium of S Bhd were RM 4,000 and RM 8,000 respectively.
- (2) The inventory held in P Bhd at the end of the year included inventory purchased from S Bhd for RM 10,000. S Bhd added mark-up 25% to derive the selling price.
- (3) P Bhd had transferred to S Bhd a non-current asset at a value of RM 20,000 on 1 January 2014. The original cost was RM 28,000 and the accumulated depreciation at the date of transfer was RM 10,000. S Bhd provides a depreciation of 20% per annum.
- (4) The difference between the current accounts was due to cash in transit.

You are required to prepare:

- (a) Cost of Control Account;
- (b) Non-controlling Interests Account;
- (c) Consolidated Retained Profits Account;
- (d) Consolidated Statement Of Financial Position as at 31 December 2015.