

Section A : Compulsory Questions (60%)
Attempt *all* the two questions

Question 1 (30%)

The following were the financial statements of Lau Bhd and Lee Bhd (41.6)

Statement Of Financial Position As At 31 August 2022

	Lau Bhd		Lee Bhd	
	RM	RM	RM	RM
Non- current Assets				
Property, Plant and Equipment	650,000		108,000	
Less: Accumulated Depreciation	(60,000)	590,000	(20,000)	88,000
Investment in Lee Bhd		84,600		-
		674,600		88,000
Current Assets				
Inventory	80,000		25,000	
Trade Receivables	32,000		18,000	
Lee Bhd Current	3,000		--	
Cash and Cash Equivalents	10,400	125,400	7,600	50,600
Total Assets		800,000		138,600
Equity				
Ordinary Share Capital of RM 1 each		450,000		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
		705,000		120,000
Non-Current Liabilities				
Loan Notes	60,000		10,000	
Current Liabilities				
Trade Payables	35,000		7,000	
Lau Bhd Current	-	95,000	1,600	18,600
Total Equity and Liabilities		800,000		138,600

The following information should be taken into account:

(1) On 1 January 2022, Lau Bhd acquired **60,000** of the ordinary shares and RM6,000 worth of loan notes of Lee Bhd. On the same date, the share premium of Lee Bhd were RM8,000 whilst the retained profit on 1 September 2021 was RM10,000.

(2) The inventory held in Lau Bhd at the end of the year included inventory purchased from Lee Bhd for RM 10,000, of which three quarter of the goods have been sold to the market. Lee Bhd added mark-up 25% to derive the selling price.

(3) Lau Bhd had transferred to Lee Bhd a non-current asset at a value of RM 20,000 on 1 January 2022. The original cost was RM28,000 and the accumulated depreciation at the date of transfer was RM10,000. Lee Bhd provides a depreciation of 20% per annum.

(4) The difference between the current accounts was due to cash in transit.

(5) Lee Bhd had recorded ordinary share dividends of RM1,500 paid during the year. Lau Bhd had not credited the dividends paid by Lee Bhd.

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 August 2022.