



The University of Fiji

(An Entity of Arya Pratinidhi Sabha of Fiji)



SCHOOL OF BUSINESS & ECONOMICS

Semester 1, 2026

FINAL EXAMINATION PAPER

ACC203: CORPORATE ACCOUNTING

Important Instructions to Students:

1. Read the questions and instructions carefully and answer the questions.
2. You are allowed an **extra 10 minutes of reading time** (during this time, you are not allowed to write with a pen) and **180 minutes (3 Hours) to complete this paper**.
3. Silent, non-programmable calculators are allowed but not supplied.
4. Write all your answers in the answer booklet provided. If you need extra sheets, please ask the supervisor. Write your name, course code, and student identification number in the answer booklet and in the attendance sheet.
5. This Examination Paper is worth **100 marks** and **contributes 40%** towards the course assessments. Students must score at least 40 marks in this exam and an overall minimum mark of 50% to pass the course.
6. This paper contains FOUR (4) questions. All questions are compulsory to answer.
7. Write all your answers legibly. The marker has the right to award a zero for illegible answers.
8. This is a **Closed-Book Examination**. The University views **plagiarism, cheating, and dishonest practice as serious offences, and offenders are penalised if they are found**.

Examination Paper Content (Format):

<u>Question</u>	<u>Content</u>	<u>Marks</u>	<u>Suggested Time</u>
1	Short Answer Questions	30	54 minutes
2	Tax Effect Accounting	20	36 minutes
3	Property, Plant and Equipment	20	36 minutes
4	Essay Writing (Attempt any three out of the four given options)	30	54 minutes
	TOTAL	100	180 Minutes

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Registration Certificate Number (RGN0020/11)

QUESTION 1 – SHORT ANSWER QUESTIONS

(30 MARKS)

(Suggested Time: 54 Minutes)

1. The management of Alistair Ltd has decided to use the fair value basis for the measurement of its equipment. Some of this equipment is very hard to obtain and has, in fact, increased in value over the current period. Management is arguing that, as there has been no decline in fair value, no depreciation should be charged on these pieces of equipment. Discuss. You may use an example to demonstrate your answer.
2. Briefly discuss the following standards: IAS 10, IAS 21, IAS 37, IFRS 11, and IFRS 12.
3. Discuss how contingent liabilities accounting differs in IFRS 3 as compared to IAS 37.
4. Discuss in detail the eight general features of a complete set of financial statements.
5. What is comparative information, and why must it be disclosed in financial statements?
6. Distinguish between current and non-current assets. Can property, plant, and equipment be reported as a current asset? If so, then explain under what circumstances.

[5+5+5+5+5+5 marks]

QUESTION 2 – TAX EFFECT ACCOUNTING

(20 MARKS)

(Suggested Time: 36 Minutes)

Embry Ltd is reviewing its deferred tax for the year.

1. Embry Ltd purchased a depreciable asset at the beginning of the year for \$200 000. For accounting purposes, an annual depreciation rate of 20% straight-line is used, whereas for taxation, the rate is 30% straight-line.
2. Embry Ltd's provision for long-service leave equals \$150 000 at the beginning of the year and \$180 000 at the end of the year. During the year, long-service leave of \$20 000 was paid.
3. In calculating taxable income, Embry Ltd has deducted \$100 000 of development expenditure incurred on the first day of the year. For accounting purposes, the \$100 000 has been capitalised as an asset and is amortised on a straight-line basis over 5 years. The company is not entitled to a tax deduction of 125% of costs incurred.
4. Embry Ltd has an allowance for doubtful debts of \$90 000 at the end of the year. The balance of the allowance account at the beginning of the year was \$40 000. During the year, \$10 000 was written off as being uncollectable. The gross amount of accounts receivable equals \$620 000 at the beginning of the year and \$600 000 at the end of the year.
5. Embry Ltd has interest receivable of \$19 000 at the end of the year. No interest was receivable at the beginning of the year. Interest income is included in taxable profit only when received.

Required:(Note: Show all the workings)

In each of the following situations, prepare the end-of-period adjustment journal entries to account for income tax on the origination or reversal of any temporary differences. Explain in each case why particular accounts are affected. The income tax rate is 20%, and the tax office is operating on a cash basis.

[4+4+4+4+4 marks]

QUESTION 3 – PROPERTY, PLANT AND EQUIPMENT

(20 MARKS)

(Suggested Time: 36 Minutes)

On 1 July 2023, Twister Ltd acquired the following non-current assets:

Equipment	\$105 000
Vehicles	\$82 000

They are in different classes of non-current assets and are to be measured at fair value. The expected useful lives of vehicles and equipment are 5 years and 10 years, respectively. As of 30 June 2024, the fair values of both assets were assessed. The equipment had a fair value of \$82 000, and the vehicles, \$70 000. The remaining useful lives were assessed to be 8 years for equipment and 7 years for vehicles. As at 30 June 2025, the fair value of equipment was \$81 750, and the fair value of vehicles was \$55 000.

Required: (Note: Show all the workings)

Prepare the journal entries for Twister Ltd for the years ending 30 June 2024 and 2025. The income tax rate is 20%. [10+10 marks]

QUESTION 4 – ESSAY WRITING

(30 MARKS)

(Suggested Time: 54 Minutes)

1. State and discuss the 10 Corporate Governance Code (Principles) for the capital markets developed by the Capital Market Development Authority (CMDA) in 2008.
2. Discuss the key steps in the acquisition method under IFRS 3, what is meant by contingent consideration, and how it is accounted for under IFRS 3.
3. Discuss with an example the 3 elements of control that must exist for a parent-subsidiary relationship.
4. Discuss the main reasons for the development of accounting regulations.

Required:

You are required to write an essay of 300 to 350 words for each of the three selected options from the given four.

[10+10+10 marks]

*****THE END*****