

CF04

Basic Accounting

12 OCTOBER 2000

1. Time allowed : Three (3) hours
2. Total number of questions : Five (5) questions
3. Number of questions to be answered : All five (5) questions
4. Show details of workings where appropriate. Silent, non-programmable calculators may be used.
5. Mathematical tables are provided in this question paper.
6. Begin each answer to a new question on a fresh page.
7. Answer **all** questions in **English**.

ANSWER ALL FIVE (5) QUESTIONS

1. The following trial balance was extracted from the books of Dayhoc Enterprises Bhd after preparation of the Trading Account for the year ended 30 June 2000.

TRIAL BALANCE AS AT 30 JUNE 2000

	Dr RM'000	Cr RM'000
Trading account		750
Profit & loss account as at 30 June 1999		228
Stock, as at 30 June 2000	660	
Rent & rates	150	
Discount allowed & discount received	45	24
Provision for doubtful debts		6
Income from investments		18
Selling & administration expenses	252	
Interest on bonds 1999/2004	72	
Fixtures, net book value	480	
Investments, at cost	450	
Bonds 1999/2004		600
Bank		36
Trade debtors & trade creditors	300	162
Ordinary shares (at RM1.00 each)		780
Dividends paid	195	
	2,604	2,604

Additional information:

- (i) Dayhoc Enterprises Bhd has an authorised share capital of 1,000,000 ordinary shares of RM1 each.
- (ii) The stock as at 30 June 2000 comprises the following:

Type	Unit	Cost RM	Market price RM
Alpha	6,000	60	100
Beta	4,000	20	15

- (iii) Rent and rates include RM72,000 in respect of the year to 31 March 2001.

Additional information (continued):

- (iv) Additional bad debts of RM30,000 are to be written-off. It is Dayhoc Enterprises Bhd's policy to make a general provision for doubtful debts of 10% of the remaining trade debtors' balance as at 30 June 2000.
- (v) All fixtures were acquired on 1 July 1997 and are continued to be depreciated at the rate of 10% per annum using the straight-line method, assuming zero residual values.
- (vi) The investments consist of:

Type	Cost RM	Market price RM
Malaysian Government Securities	200,000	250,000
Quoted investment	250,000	320,000

- (vii) Dayhoc Enterprises Bhd's directors have proposed a final dividend of RM0.05 per share.
- (viii) Dayhoc Enterprises Bhd's tax agent expects a corporation tax of RM45,000.

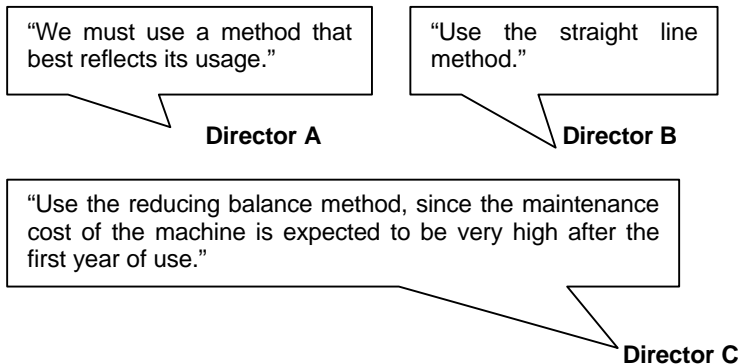
Required:

- (a) Prepare the following for Dayhoc Enterprises Bhd:
 - (i) Profit and Loss Account (in vertical format) for the year ended 30 June 2000. [13]
 - (ii) Balance Sheet as at 30 June 2000 (in vertical format). [12]
 - (b) Explain, with an example, how a "revenue expenditure" of a company may be classified as a "capital expenditure" of another company. [3]
(Total:28 marks)
2. (a) OA Equipment Sdn Bhd purchased a **five**-year old photocopier machine for RM15,000 from its customer and spent a further RM8,000 to recondition and upgrade the photocopier machine.

After the reconditioning and upgrading process, OA Equipment Sdn Bhd expected the photocopier machine to print approximately 300,000 copies or for another **three** years with an estimated usage of 100,000 copies per year. As such, OA Equipment Sdn Bhd plans to lease it to its customers on a short-term basis.

The directors of OA Equipment Sdn Bhd are aware of the generally accepted accounting principle for providing depreciation on fixed assets. They, however, have different opinions on how the provisions for depreciation should be made on the photocopier machine.

The following were **three** different opinions obtained from the directors:



Required:

- (i) Based on the **three** different opinions above, suggest which is the most appropriate depreciation method to be used on the photocopier machine. [1]

(ii) Explain why you would recommend the depreciation method in (i) above. [5]

(b) The balance sheet of SK Industries Bhd as at 30 June 2000, includes the following information about the company's trade debtors:

Item	RM
Trade debtors' balances	890,000
Provision for doubtful debts	75,000

The following additional information have not been adjusted in the year-end balance:

- **One** of the trade debtors, Omi Sdn Bhd is in liquidation and owes SK Industries Bhd RM11,800. As such, the amount owing would be uncollectible.
- An amount of RM1,800 owing by Axi Sdn Bhd which was previously written-off, was unexpectedly collected in full.
- The trade debtors' ageing accounts as at 30 June 2000 indicated a need for a RM22,000 provision for doubtful debts.
- An amount of RM20,400 owing by Bom Sdn Bhd which had been provided as doubtful debts in the previous year, is now confirmed uncollectible.

Required:

(i) Prepare the following for SK Industries Bhd as at 30 June 2000 after incorporating the above information:

- Trade debtors' accounts [4]
- Provision for doubtful debts account. [4]

(ii) Prepare an extract of the Profit and Loss Account of SK Industries Bhd for the financial year ended 30 June 2000, showing the following:

- Provision for doubtful debts
- Bad debts write-off
- Bad debts write-back

(Show workings, if necessary.) [4]
(Total:18 marks)

3. (a) Identify the generally accepted accounting concepts or conventions from the table below to be followed in each of the statements from (i) to (iv).

• Realisation concept	• Objectivity
• Accrual concept	• Depreciation
• Matching concept	• Solvency

(i) The systematic allocation of the cost of a long-lived asset, such as a building or equipment, to expense over the useful life of the asset. [2]

(ii) Having the ability to pay debts when they fall due. [2]

(iii) The generally accepted accounting concept used in determining when to recognise revenue. [2]

(iv) The generally accepted accounting concept used in determining when expenses should be offset against revenue. [2]

- (b) Select the **best** answer for each of the following:
- (i) Which of the following statements are not consistent with the generally accepted accounting principles in Malaysia relating to asset valuation?
- A. Assets are originally recorded in accounting records at their cost to the business entity.
 - B. Subtracting total liabilities from total assets indicates what the owners' equity in the business is worth under current market conditions.
 - C. Accountants assume that assets, such as, office supplies, plant and machinery as well as land and building will be used in business operations, rather than sold at current market prices.
 - D. Accountants prefer to base the valuation of assets upon objective, verifiable evidence rather than upon appraisals or personal opinions. [2]
- (ii) The entry to recognise depreciation expenses:
- A. is an application of matching concept.
 - B. is a closing entry.
 - C. usually includes an offsetting credit either to cash or to accounts payable.
 - D. is a balancing figure. [2]
- (iii) For several years, the net income earned by Makisa Bhd has been less than the amounts distributed as dividends to the company's shareholders. Shareholders are most likely to become aware of this situation:
- A. by looking at the company's income statements.
 - B. when the bank refuses to cash their dividend cheques.
 - C. by looking at the company's statements of retained earnings.
 - D. by observing the decrease in cash from one balance sheet to the next. [2]
- (iv) Which of the following, is a wrong concept of materiality?
- A. It requires that the financial statements are accurate to the nearest Ringgit, but need not show sen.
 - B. It is based upon what the users of financial statements are thought to consider important.
 - C. It permits accountants to ignore other generally accepted accounting principles in certain situations.
 - D. It permits accountants to use the easiest and most convenient means of accounting for events that are immaterial. [2]
- (Total:16 marks)

4. (a) Wan Mahsuri has an opportunity to invest in the following investments at the given prices:

Investment	Price RM	Cash inflow RM	Years of receipt
A	18,000	30,000	5
B	600	3,000	20
C	3,500	10,000	10

Required:

Assuming Wan Mahsuri would like to earn 11% on her investments, recommend to her, the **best** investment opportunity. (Provide calculations to support your answer.) [8]

- (b) Kong Ngau retired last month. Upon retirement, he withdrew RM100,000 from his Employees Provident Fund (EPF) and placed the RM100,000 in a fixed deposit account earning him an interest of 5% compounded annually. Calculate the accumulated amount in the fixed deposit account at the end of **five** years. [5]

(Total:13 marks)

5. Encik Wan Sani of Danatani Sdn Bhd, approached your bank for a credit line. Danatani Sdn Bhd is principally involved in the manufacturing of spare parts for agricultural machineries. The company's financial statements for the last **two** years are summarised below:

**TRADING & PROFIT AND LOSS ACCOUNT
FOR THE YEARS ENDED 30 JUNE 1999 & 2000**

	1999		2000	
	RM'000	RM'000	RM'000	RM'000
Sales		1,512		2,088
Stock, as at 1 July	60		120	
Purchases	1,320		1,896	
	1,380		2,016	
Less: Stock, 30 June	120		240	
		1,260		1,776
Gross profit		252		312
Less: Interest expenses		-		24
Other overhead expenses		120		144
Net profit		132		144

(Note: All sales and purchases are made on credit basis.)

BALANCE SHEET AS AT 30 JUNE 1999 & 2000

	1999		2000	
	RM'000	RM'000	RM'000	RM'000
Fixed assets		223		242
Current Assets				
Stock	120		240	
Trade debtors	252		576	
Bank	12	384	-	816
Current Liabilities				
Trade creditors	269		374	
Bank	-	269	48	422
Net current assets		115		394
		338		636
Financed by:				
Ordinary shares capital of RM1 each		206		252
Profit and loss		112		131
General reserves		20		13
		338		396
Term loan		-		240
		338		636

Required:

(a) Calculate the following ratios for the years ended 30 June 1999 and 2000 (Show all workings. Provide your answer to **one** decimal point. For your computation, assume **one** year has **365** days.):

- (i) Gross profit margin [2]
- (ii) Net profit margin [2]
- (iii) Current ratio [2]
- (iv) Quick/acid test ratio [2]
- (v) Stock turnover period (in days) (based on average stock) [3]
- (vi) Average debtors' collection period (in days) [3]
- (vii) Average creditors' payment period (in days) [3]
- (viii) Return on equity [2]

(b) Using the ratios you have computed in (a) above, comment briefly on Danatani Sdn Bhd's progress for the years ended 30 June 1999 and 2000, in terms of the following:

- (i) Liquidity [2]
- (ii) Profitability [2]
- (iii) Activity [2]

(Total:25 marks)

OUTLINE ANSWERS

Question 1

Only a handful of candidates secured a pass in this question. It clearly shows that a large proportion of candidates are stereotyped in preparing the financial statement by starting off with the Trading Account, followed by the Profit and Loss Account. Hence, a change in the usual format caused candidates to fair badly as they lacked understanding in the basic concepts such as prudence concept on stock valuation, accruals and matching of expenses incurred and realisation in respect of investment valuation. Part (b) required candidates to explain how the “revenue expenditure” of a company may be classified as the “capital expenditure” of another company. However, the majority of candidates could not answer this question.

1. (a) (i) **Dayhoc Enterprises Bhd**
Trading, Profit and Loss Account for the year ended 30 June 2000

	<u>RM'000</u>	<u>RM'000</u>
Gross profit		750
Add: Discount received		24
Investment income		18
		792
<i>Less: Expenses</i>		
Rent and Rates [150 - {72 - (72 x 3/12)}]	96	
Discount allowed	45	
Bad debts written off	30	
Provision for stock obsolescence	20	
Provision for doubtful debts (W1)	21	
Provision for depreciation (W2)	60	
Interest on bond 1999/2004	72	
Selling and administration expenses	252	(596)
Net profit before taxation		196
<i>Less: Taxation</i>		(45)
Profit after taxation		151
Retained profit brought forward		228
		379
Dividend - paid	(195)	
- proposed	(39)	(234)
Retained profit carried forward		145

- (ii) **Dayhoc Enterprises Bhd**
Balance sheet as at 30 June 2000

	<u>RM'000</u>	<u>RM'000</u>
Fixtures, at cost	600	
<i>Less: Accumulated Depreciation</i>	(180)	420
Investment, at cost		450
<u>Current assets</u>		
Stock (660 - 20)	640	
Trade debtors (270 - 27)	243	
Prepayment	54	
	937	
<u>Current Liabilities</u>		
Trade creditors	162	
Provision for taxation	45	
Provision for dividend	39	
Bank overdraft	36	
	282	
Net current assets		655
		1,525

Financed by:	
Authorised Share Capital	
Ordinary shares of RM1.00 each	<u>1,000</u>
Issued and fully paid-up	
Ordinary shares of RM1.00 each	780
Retained earnings	<u>145</u>
	925
Bonds 1999/2004	<u>600</u>
	<u>1,525</u>

Workings

(W1)	Trade Debtors' Account	
	<u>RM'000</u>	<u>RM'000</u>
Balance b/f	300	Bad debts
		30
		Balance c/f
	<u>300</u>	<u>270</u>
		<u>300</u>

	Provision for doubtful debts Account	
	<u>RM'000</u>	<u>RM'000</u>
Balance c/f	27	Balance b/f
		6
	<u>27</u>	Profit & Loss a/c
		<u>21</u>
		<u>27</u>

(W2) Fixtures: Depreciation

	<u>RM'000</u>
Fixtures, at cost	600
Less: Accumulated Depreciation	<u>(120)</u>
Net book value	<u>480</u>

Fixtures were acquired since 1/7/1997. Until 30/6/1999, it has a remaining useful life of 8 years. As such, the original cost of fixtures (after gross up) would be: $\frac{RM480 \times 10}{8} = RM600$

- (b) An expenditure may be a revenue expenditure of a company but treated as a capital expenditure of another company because of *Materiality Concept*.

Materiality is a subjective term. For instance, a calculator that cost RM80 per unit may be categorised as a capital expenditure (i.e. fixed assets) of a small business enterprise, however, it may be treated as a revenue expenditure of a large corporation and be charged out to profit and loss account for the year of incur.

Question 2

Part (a) examined the candidates' knowledge of the various depreciation methods. Only one candidate managed to answer this part reasonably well. Several candidates chose the appropriate depreciation method but failed to provide a good explanation to substantiate their answers. Part (b) tested candidates' understanding on the treatment of Trade Debts, Provision for Doubtful Debts and Bad Debts. This topic has been a weak topic with candidates in the past and as expected, many performed poorly.

2. (a) (i) The most suitable depreciation method will be, the method recommended by Director A, i.e. method that best reflect its usage.
- (ii) Depreciation represents that part of the cost of the fixed asset, which is transferred to the Profit and Loss Account in accordance with the *Matching Concept*, which states that "revenues and costs are matched with one another so far as their relationship can be established or justifiably assumed". In this respect, in view that the photocopier will be leased out on short-term basis to its potential customers on demand, the most appropriate method would be "method that best reflect its usage".

“Straight-line method” or “reducing balance method”, which emphasise on time period rather than actual usage may not give a representative matching of the cost to its revenue as income from the photocopier will be subject to unpredictable period of lease and eventual usage by the leasee.

(b) (i)

Trade Debtors'			
	<u>RM</u>		<u>RM</u>
Balance b/f	890,000	Bad debts write off – Omi Sdn Bhd	11,800
		Bad debts write off – Bom Sdn Bhd	20,400
Bad debt write-back	1,800	Balance c/f	859,600
	<u>891,800</u>		<u>891,800</u>

Provision for Doubtful Debts			
	<u>RM</u>		<u>RM</u>
Bad debt write-back – Axi Sdn Bhd	20,400	Balance b/f	75,000
Balance c/f	76,600	Profit and loss a/c	22,000
	<u>97,000</u>		<u>97,000</u>

(ii) Profit and Loss Account (extract)

	<u>RM</u>
Provision for doubtful debts	22,000
Bad debt written off	11,800
Bad debt write-back	1,800

Question 3

Although, this question on accounting principles and concepts was examined in an objective format, yet, only a few candidates obtained 50% of the overall marks for this question. This clearly shows the lack of understanding and basic knowledge of the accounting principles and concepts among candidates.

3. (a) (i) Depreciation
 (ii) Solvency
 (iii) Accrual concept
 (iv) Matching concept
- (b) (i) B
 (ii) A
 (iii) C
 (iv) B

Question 4

This two-part question tested candidates' knowledge on "time value", which focussed on investment decisions and future value of time deposit. Another weak topic amongst candidates, as previously seen in the past. However, most candidates attempting this question managed to give reasonable answers for the second half of the question, where they were required to calculate the future value of a time deposit.

4. (a) In order to determine the best investment opportunity (i.e. Investment A, B or C), Wan Mahsuri has to calculate what is the present value (P) of each of the investment using the formula as follows:

$$P = F_n (1/(1 + k)^n) \text{ or } P = F_n \times PVIF_{k,n}$$

Where,

P = present value of a fixed sum of money or original cost of investment

F_n = future amount to be received n period from now

K = discount rate, required rate of return or opportunity cost

N = time period

Investment A

$$RM18,000 = RM30,000 \times PVIF_{k,5}$$

$$\text{Therefore, } PVIF_{k,5} = RM18,000/RM30,000 = 0.6$$

By referring to the PVIF table in order to find k (i.e. rate of return for Investment A),

$$k = 11\% - \frac{(0.6 - 0.593)}{0.621 - 0.593} = \underline{10.75\%}$$

Investment B

$$RM600 = RM3,000 \times PVIF_{k,20}$$

$$\text{Therefore, } PVIF_{k,20} = RM600/RM3,000 = 0.2$$

By referring to the PVIF table in order to find k (i.e. rate of return for Investment B),

$$k = 9\% - \frac{(0.2 - 0.178)}{0.215 - 0.178} = \underline{8.41\%}$$

Investment C

$$RM3,500 = RM10,000 \times PVIF_{k,10}$$

$$\text{Therefore, } PVIF_{k,10} = RM3,500/RM10,000 = 0.35$$

By referring to the PVIF table in order to find k (i.e. rate of return for Investment C),

$$k = 12\% - \frac{(0.35 - 0.322)}{0.352 - 0.322} = \underline{11.07\%}$$

- (b) Kong Ngau placed RM100,000 of his retirement fund in a fixed deposit account that earns him an interest of 5% per annum for the next five years compounded yearly. By the end of 5 years, he should have,

$$F_n = P (1 + k)^n$$

Therefore,

$$F_n = RM100,000 (1 + 0.05)^5 \text{ or}$$

$$F_n = RM100,000 (FVIF_{5\%,5})$$

$$= \underline{RM127,628}$$

Question 5

A well answered question. This question examined candidates' ability to calculate the financial ratios and interpret the findings. The majority of the candidates were able to score above average marks for this question, which showed that candidates had a good grasp in this subject matter.

5. (a)

	1999	2000
(i) Gross profit margin = Gross profit /Sales x 100%	RM252,000/RM1,512,000 x 100% = 16.7%	RM312,000/RM2,088,000 x 100% = 14.9%
(ii) Net profit margin = Net profit/Sales x 100%	RM132,000/RM1,512,000 x 100% = 8.7%	RM144,000/RM2,088,000 x 100% = 6.9%
(iii) Current ratio = current asset/ current liabilities	RM384,000/RM269,000 =1.4 times	RM816,000/RM422,000 = 1.9 times
(iv) Quick ratio = (Current asset – stock)/ current liabilities	(RM384,000 - RM120,000)/ RM269,000 = 1 time	(RM816,000 - M240,000)/ RM422,000 = 1.4 times
(v) Stock turnover period =(Average stock* / Cost of sales) x 365 days	(RM90,000/ RM1,260,000) x 365 days = 26.1 days	(RM180,000/RM1,776,000) x 365 days = 37 days
*Average stock = (opening stock + closing stock)/2		
(vi) Average debtors collection period = (Trade debtors/ Credit sales) x 365 days	(RM252,000/RM1,512,000) x 365 days = 60.8 days	(RM576,000/RM2,088,000) x 365 days = 100.7 days
(vii) Average creditors payment period = (Trade creditors/credit purchase) x 365 days	(RM269,000/RM1,320,000) x 365 days = 74.4 days	(RM374,000/RM1,896,000) x 365 days = 72.0 days
(viii) Return on equity = (Net profit/shareholders' fund) x 100%	(RM132,000/RM338,000) x 100% = 39.1%	(RM144,000/RM396,000) x 100% = 36.4%

(b) **Liquidity**

- Current ratio improved for year 2000 to 1.9 times as compared to 1.4 times in year 1999.
- However, from quick ratio, it revealed a high proportion of the Danatani's current assets are being tied down in stock. As such, after taking away stock, quick ratio for year 1999 and 2000 dropped to 1 and 1.4 times respectively. Based on the above, if it is the industry's norm to have high stock level, then there is no cause of worry for Danatani. Conversely, the company needs to keep a close watch on its stock level. As unwarrantedly high stock level could lead to slow moving or obsolete stock problem in the near future.

Profitability

- Gross profit margin dropped by 1.8% to 14.9% in year 2000 as compared to 16.7% of year 1999. The drop could be due to either higher cost of sales or lower selling prices (e.g. trade discount) of the agricultural machinery produced by Danatani Sdn Bhd.
- Net profit margin also dropped by 1.8% to 6.9% for year 2000 as compared to 8.7% for year 1999. The drop could be attributable to the lower gross profit margin for year 2000.
- Return on equity also drop correspondingly during year 2000 by about 2.7% to 36.4% as compared to 39.1% for year 1999 as the result of lower gross profit margin and net profit margin.

Activity

- Stock turnover slowed down in year 2000 by almost 10 days as compared to 26.1 days in year 1999. As have discussed earlier, this could be the initial indication of slow-moving stock.
- Trade debtors collection period has deteriorated significantly during 2000 to 100.7 days as compared to 60.8 days. If there is no intended extension of credit period to debtors, Danatani's credit control is in serious trouble.
- Trade creditors payment period has improved slightly to 72 days as compared to 74.4 days.
- Based on the above, it revealed that a substantial portion of Danatani's funds are being tied down in stock holding and subsidising the trade debtors as they are delaying their payment; conversely, Danatani has shortened its payment period to its trade creditors. Danatani could face cashflow problems in the near future.

TABLE 1

Present Value of RM1:

Period	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
1	0.990	0.980	0.971	0.962	0.952	0.943	0.935	0.926	0.917	0.909	0.901	0.893	0.885	0.877	0.870
2	0.980	0.961	0.943	0.925	0.907	0.890	0.873	0.857	0.842	0.826	0.812	0.797	0.783	0.769	0.756
3	0.971	0.942	0.915	0.889	0.864	0.840	0.816	0.794	0.772	0.751	0.731	0.712	0.693	0.675	0.658
4	0.961	0.924	0.888	0.855	0.823	0.792	0.763	0.735	0.708	0.683	0.659	0.636	0.613	0.592	0.572
5	0.951	0.906	0.863	0.822	0.784	0.747	0.713	0.681	0.650	0.621	0.593	0.567	0.543	0.519	0.497
6	0.942	0.888	0.837	0.790	0.746	0.705	0.666	0.630	0.596	0.564	0.535	0.507	0.480	0.456	0.432
7	0.933	0.871	0.813	0.760	0.711	0.665	0.623	0.583	0.547	0.513	0.482	0.452	0.425	0.400	0.376
8	0.923	0.853	0.789	0.731	0.677	0.627	0.582	0.540	0.502	0.467	0.434	0.404	0.376	0.351	0.327
9	0.914	0.837	0.766	0.703	0.645	0.592	0.544	0.500	0.460	0.424	0.391	0.361	0.333	0.308	0.284
10	0.905	0.820	0.744	0.676	0.614	0.558	0.508	0.463	0.422	0.386	0.352	0.322	0.295	0.270	0.247
11	0.896	0.804	0.722	0.650	0.585	0.527	0.475	0.429	0.388	0.350	0.317	0.287	0.261	0.237	0.215
12	0.887	0.788	0.701	0.625	0.557	0.497	0.444	0.397	0.356	0.319	0.286	0.257	0.231	0.208	0.187
13	0.879	0.773	0.681	0.601	0.530	0.469	0.415	0.368	0.326	0.290	0.258	0.229	0.204	0.182	0.163
14	0.870	0.758	0.661	0.577	0.505	0.442	0.388	0.340	0.299	0.263	0.232	0.205	0.181	0.160	0.141
15	0.861	0.743	0.642	0.555	0.481	0.417	0.362	0.315	0.275	0.239	0.209	0.183	0.160	0.140	0.123
16	0.853	0.728	0.623	0.534	0.458	0.394	0.339	0.292	0.252	0.218	0.188	0.163	0.141	0.123	0.107
17	0.844	0.714	0.605	0.513	0.436	0.371	0.317	0.270	0.231	0.198	0.170	0.146	0.125	0.108	0.093
18	0.836	0.700	0.587	0.494	0.416	0.350	0.296	0.250	0.212	0.180	0.153	0.130	0.111	0.095	0.081
19	0.828	0.686	0.570	0.475	0.396	0.331	0.277	0.232	0.194	0.164	0.138	0.116	0.098	0.083	0.070
20	0.820	0.673	0.554	0.456	0.377	0.312	0.258	0.215	0.178	0.149	0.124	0.104	0.087	0.073	0.061
21	0.811	0.660	0.538	0.439	0.359	0.294	0.242	0.199	0.164	0.135	0.112	0.093	0.077	0.064	0.053
22	0.803	0.647	0.522	0.422	0.342	0.278	0.226	0.184	0.150	0.123	0.101	0.083	0.068	0.056	0.046
23	0.795	0.634	0.507	0.406	0.326	0.262	0.211	0.170	0.138	0.112	0.091	0.074	0.060	0.049	0.040
24	0.788	0.622	0.492	0.390	0.310	0.247	0.197	0.158	0.126	0.102	0.082	0.066	0.053	0.043	0.035
25	0.780	0.610	0.478	0.375	0.295	0.233	0.184	0.146	0.116	0.092	0.074	0.059	0.047	0.038	0.030
Period	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%
1	0.862	0.855	0.847	0.840	0.833	0.826	0.820	0.813	0.806	0.800	0.794	0.787	0.781	0.775	0.769
2	0.743	0.731	0.718	0.706	0.694	0.683	0.672	0.661	0.650	0.640	0.630	0.620	0.610	0.601	0.592
3	0.641	0.624	0.609	0.593	0.579	0.564	0.551	0.537	0.524	0.512	0.500	0.488	0.477	0.466	0.455
4	0.552	0.534	0.516	0.499	0.482	0.467	0.451	0.437	0.423	0.410	0.397	0.384	0.373	0.361	0.350
5	0.476	0.456	0.437	0.419	0.402	0.386	0.370	0.355	0.341	0.328	0.315	0.303	0.291	0.280	0.269
6	0.410	0.390	0.370	0.352	0.335	0.319	0.303	0.289	0.275	0.262	0.250	0.238	0.227	0.217	0.207
7	0.354	0.333	0.314	0.296	0.279	0.263	0.249	0.235	0.222	0.210	0.198	0.188	0.178	0.168	0.159
8	0.305	0.285	0.266	0.249	0.233	0.218	0.204	0.191	0.179	0.168	0.157	0.148	0.139	0.130	0.123
9	0.263	0.243	0.225	0.209	0.194	0.180	0.167	0.155	0.144	0.134	0.125	0.116	0.108	0.101	0.094
10	0.227	0.208	0.191	0.176	0.162	0.149	0.137	0.126	0.116	0.107	0.099	0.092	0.085	0.078	0.073
11	0.195	0.178	0.162	0.148	0.135	0.123	0.112	0.103	0.094	0.086	0.079	0.072	0.066	0.061	0.056
12	0.168	0.152	0.137	0.124	0.112	0.102	0.092	0.083	0.076	0.069	0.062	0.057	0.052	0.047	0.043
13	0.145	0.130	0.116	0.104	0.093	0.084	0.075	0.068	0.061	0.055	0.050	0.045	0.040	0.037	0.033
14	0.125	0.111	0.099	0.088	0.078	0.069	0.062	0.055	0.049	0.044	0.039	0.035	0.032	0.028	0.025
15	0.108	0.095	0.084	0.074	0.065	0.057	0.051	0.045	0.040	0.035	0.031	0.028	0.025	0.022	0.020
16	0.093	0.081	0.071	0.062	0.054	0.047	0.042	0.036	0.032	0.028	0.025	0.022	0.019	0.017	0.015
17	0.080	0.069	0.060	0.052	0.045	0.039	0.034	0.030	0.026	0.023	0.020	0.017	0.015	0.013	0.012
18	0.069	0.059	0.051	0.044	0.038	0.032	0.028	0.024	0.021	0.018	0.016	0.014	0.012	0.010	0.009
19	0.060	0.051	0.043	0.037	0.031	0.027	0.023	0.020	0.017	0.014	0.012	0.011	0.009	0.008	0.007
20	0.051	0.043	0.037	0.031	0.026	0.022	0.019	0.016	0.014	0.012	0.010	0.008	0.007	0.006	0.005
21	0.044	0.037	0.031	0.026	0.022	0.018	0.015	0.013	0.011	0.009	0.008	0.007	0.006	0.005	0.004
22	0.038	0.032	0.026	0.022	0.018	0.015	0.013	0.011	0.009	0.007	0.006	0.005	0.004	0.004	0.003
23	0.033	0.027	0.022	0.018	0.015	0.012	0.010	0.009	0.007	0.006	0.005	0.004	0.003	0.003	0.002
24	0.028	0.023	0.019	0.015	0.013	0.010	0.008	0.007	0.006	0.005	0.004	0.003	0.003	0.002	0.002
25	0.024	0.020	0.016	0.013	0.010	0.009	0.007	0.006	0.005	0.004	0.003	0.003	0.002	0.002	0.001

TABLE 2

Present Value of an Annuity of RM1 per period:

Period	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
1	0.990	0.980	0.971	0.962	0.952	0.943	0.935	0.926	0.917	0.909	0.901	0.893	0.885	0.877	0.870
2	1.970	1.942	1.913	1.886	1.859	1.833	1.808	1.783	1.759	1.736	1.713	1.690	1.668	1.647	1.626
3	2.941	2.884	2.829	2.775	2.723	2.673	2.624	2.577	2.531	2.487	2.444	2.402	2.361	2.322	2.283
4	3.902	3.808	3.717	3.630	3.546	3.465	3.387	3.312	3.240	3.170	3.102	3.037	2.974	2.914	2.855
5	4.853	4.713	4.580	4.452	4.329	4.212	4.100	3.993	3.890	3.791	3.696	3.605	3.517	3.433	3.352
6	5.795	5.601	5.417	5.242	5.076	4.917	4.767	4.623	4.486	4.355	4.231	4.111	3.998	3.889	3.784
7	6.728	6.472	6.230	6.002	5.786	5.582	5.389	5.206	5.033	4.868	4.712	4.564	4.423	4.288	4.160
8	7.652	7.325	7.020	6.733	6.463	6.210	5.971	5.747	5.535	5.335	5.146	4.968	4.799	4.639	4.487
9	8.566	8.162	7.786	7.435	7.108	6.802	6.515	6.247	5.995	5.759	5.537	5.328	5.132	4.946	4.772
10	9.471	8.983	8.530	8.111	7.722	7.360	7.024	6.710	6.418	6.145	5.889	5.650	5.426	5.216	5.019
11	10.368	9.787	9.253	8.760	8.306	7.887	7.499	7.139	6.805	6.495	6.207	5.938	5.687	5.453	5.234
12	11.255	10.575	9.954	9.385	8.863	8.384	7.943	7.536	7.161	6.814	6.492	6.194	5.918	5.660	5.421
13	12.134	11.348	10.635	9.986	9.394	8.853	8.358	7.904	7.487	7.103	6.750	6.424	6.122	5.842	5.583
14	13.004	12.106	11.296	10.563	9.899	9.295	8.745	8.244	7.786	7.367	6.982	6.628	6.302	6.002	5.724
15	13.865	12.849	11.938	11.118	10.380	9.712	9.108	8.559	8.061	7.606	7.191	6.811	6.462	6.142	5.847
16	14.718	13.578	12.561	11.652	10.838	10.106	9.447	8.851	8.313	7.824	7.379	6.974	6.604	6.265	5.954
17	15.562	14.292	13.166	12.166	11.274	10.477	9.763	9.122	8.544	8.022	7.549	7.120	6.729	6.373	6.047
18	16.398	14.992	13.754	12.659	11.690	10.828	10.059	9.372	8.756	8.201	7.702	7.250	6.840	6.467	6.128
19	17.226	15.678	14.324	13.134	12.085	11.158	10.336	9.604	8.950	8.365	7.839	7.366	6.938	6.550	6.198
20	18.046	16.351	14.877	13.590	12.462	11.470	10.594	9.818	9.129	8.514	7.963	7.469	7.025	6.623	6.259
21	18.857	17.011	15.415	14.029	12.821	11.764	10.836	10.017	9.292	8.649	8.075	7.562	7.102	6.687	6.312
22	19.660	17.658	15.937	14.451	13.163	12.042	11.061	10.201	9.442	8.772	8.176	7.645	7.170	6.743	6.359
23	20.456	18.292	16.444	14.857	13.489	12.303	11.272	10.371	9.580	8.883	8.266	7.718	7.230	6.792	6.399
24	21.243	18.914	16.936	15.247	13.799	12.550	11.469	10.529	9.707	8.985	8.348	7.784	7.283	6.835	6.434
25	22.023	19.523	17.413	15.622	14.094	12.783	11.654	10.675	9.823	9.077	8.422	7.843	7.330	6.873	6.464
Period	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%
1	0.862	0.855	0.847	0.840	0.833	0.826	0.820	0.813	0.806	0.800	0.794	0.787	0.781	0.775	0.769
2	1.605	1.585	1.566	1.547	1.528	1.509	1.492	1.474	1.457	1.440	1.424	1.407	1.392	1.376	1.361
3	2.246	2.210	2.174	2.140	2.106	2.074	2.042	2.011	1.981	1.952	1.923	1.896	1.868	1.842	1.816
4	2.798	2.743	2.690	2.639	2.589	2.540	2.494	2.448	2.404	2.362	2.320	2.280	2.241	2.203	2.166
5	3.274	3.199	3.127	3.058	2.991	2.926	2.864	2.803	2.745	2.689	2.635	2.583	2.532	2.483	2.436
6	3.685	3.589	3.498	3.410	3.326	3.245	3.167	3.092	3.020	2.951	2.885	2.821	2.759	2.700	2.643
7	4.039	3.922	3.812	3.706	3.605	3.508	3.416	3.327	3.242	3.161	3.083	3.009	2.937	2.868	2.802
8	4.344	4.207	4.078	3.954	3.837	3.726	3.619	3.518	3.421	3.329	3.241	3.156	3.076	2.999	2.925
9	4.607	4.451	4.303	4.163	4.031	3.905	3.786	3.673	3.566	3.463	3.366	3.273	3.184	3.100	3.019
10	4.833	4.659	4.494	4.339	4.192	4.054	3.923	3.799	3.682	3.571	3.465	3.364	3.269	3.178	3.092
11	5.029	4.836	4.656	4.486	4.327	4.177	4.035	3.902	3.776	3.656	3.543	3.437	3.335	3.239	3.147
12	5.197	4.988	4.793	4.611	4.439	4.278	4.127	3.985	3.851	3.725	3.606	3.493	3.387	3.286	3.190
13	5.342	5.118	4.910	4.715	4.533	4.362	4.203	4.053	3.912	3.780	3.656	3.538	3.427	3.322	3.223
14	5.468	5.229	5.008	4.802	4.611	4.432	4.265	4.108	3.962	3.824	3.695	3.573	3.459	3.351	3.249
15	5.575	5.324	5.092	4.876	4.675	4.489	4.315	4.153	4.001	3.859	3.726	3.601	3.483	3.373	3.268
16	5.668	5.405	5.162	4.938	4.730	4.536	4.357	4.189	4.033	3.887	3.751	3.623	3.503	3.390	3.283
17	5.749	5.475	5.222	4.990	4.775	4.576	4.391	4.219	4.059	3.910	3.771	3.640	3.518	3.403	3.295
18	5.818	5.534	5.273	5.033	4.812	4.608	4.419	4.243	4.080	3.928	3.786	3.654	3.529	3.413	3.304
19	5.877	5.584	5.316	5.070	4.843	4.635	4.442	4.263	4.097	3.942	3.799	3.664	3.539	3.421	3.311
20	5.929	5.628	5.353	5.101	4.870	4.657	4.460	4.279	4.110	3.954	3.808	3.673	3.546	3.427	3.316
21	5.973	5.665	5.384	5.127	4.891	4.675	4.476	4.292	4.121	3.963	3.816	3.679	3.551	3.432	3.320
22	6.011	5.696	5.410	5.149	4.909	4.690	4.488	4.302	4.130	3.970	3.822	3.684	3.556	3.436	3.323
23	6.044	5.723	5.432	5.167	4.925	4.703	4.499	4.311	4.137	3.976	3.827	3.689	3.559	3.438	3.325
24	6.073	5.746	5.451	5.182	4.937	4.713	4.507	4.318	4.143	3.981	3.831	3.692	3.562	3.441	3.327
25	6.097	5.766	5.467	5.195	4.948	4.721	4.514	4.323	4.147	3.985	3.834	3.694	3.564	3.442	3.329