

A S T U D Y O N
S T O C K V A L U A T I O N
O F T I G E R P R A W N F A R M I N G
U N D E R M O N O C U L T U R E
P O N D S Y S T E M .

A PAPER SUBMITTED TO THE
SCHOOL OF ACCOUNTANCY
MARA INSTITUTE OF TECHNOLOGY
IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE
ADVANCED DIPLOMA IN ACCOUNTANCY.

P R E P A R E D B Y:
K A M A R U D I N B I N R A M L Y
9 0 0 1 7 9 3 7

ACKNOWLEDGEMENT.

The completion of this report/study had required the assistance of many people who are really helpful. I owe much to them without which my report/study would had not been possible. In this opportunity, I wish to express my sincerest gratitude to the following persons:

En. Abdullah Abd Rahim, General Manager of PKPS Aquaculture Sdn Bhd, who suggested me to stay at Pulau Carey to witness with my own eyes how prawn farming is carried out. En Saim Abu Farm Manager, Encik Mazlan Idrus Corporate Executive, Cik Khairiah Abas Account Executive, Encik Kamaruzaman Baharom Account Officer and Encik Norhaizan supervisor of Block B of the Farm who helped me in gathering all the valuable information and knowledge. We had a very good discussions.

My advisor , who helped me in editing, checking and guidance. To those whom I do not mention their name, your assistance are very much appreciated.

TABLE OF CONTENTS.

INTRODUCTION.....	1
OBJECTIVE OF STUDY.....	3
METHODOLOGY.....	4
SCOPE AND LIMITATION OF STUDY.....	7
BACKGROUND OF STUDY.....	8
Importance of stocks.....	8
Definitions of: Stocks.....	9
Historical cost of stocks.....	9
Costs of purchase.....	9
Costs of conversion.....	10
Net realisable value.....	10
Classes of stocks.....	10
Inventoriable costs.....	11
Period costs.....	12
PRODUCTION LIFE CYCLE OF TIGER PRAWN.....	13
Procurement.....	13
Transformation.....	13
Harvesting/sale.....	14
LITERATURE REVIEW.....	15
Introduction.....	15
Cost units.....	15
Costing and cost accumulation.....	17
Cost items inventoried to stocks.....	18

OBJECTIVE OF STUDY.

The main purpose of doing this project paper is to be knowledgeable and familiar with the valuation of grow-out prawn stock particularly under monoculture pond system. Attention is focused in determining the problems and difficulties arise in this field. Among the others, how costs are allocated and distributed throughout the process of procurement, transformation and harvesting. It is not always easy to deal with the grow-out prawns stock since they are not readily visible in the production process. After all, the size ,quantity and value also change during transformation process due to feeding and mortality. How stock then is verified? What cost items that inventoried to stock? Therefore, this study aims to give full coverage of stock valuation in prawn farming and come up with some recommendation to standardise its practice. In most cases, the principles of stock valuation for grow-out prawn can be applied to any aquaculture farming. All of these are very interesting to know.

METHODOLOGY.

In doing the project paper , all the necessary data and information were gathered from the followings:

Primary sources.

1. IntevIEWS and discussions.

A field of interviews and discussions were officially carried out with the following persons:

1. Encik Abdullah Abd Rahim - General manager of the PKPS Aquaculture Sdn Bhd. Responsible for site selection, design and operation of the prawn farm in Pulau Carey and a hatchery in Jeram, Selangor.

2. Encik Saim Abu - Farm manager of the tiger prawn project at Pulau Carey that carried out by the PKPS Aquaculture Sdn Bhd. Responsible for design and operation of the prawn farm.

3. Encik Mazlan Idrus - Corporate executive of the PKPS Aquaculture Sdn Bhd. Responsible in the affairs of the PKPS Aquaculture Sdn Bhd.

4. Cik Khairiah Abbas - Account Executive of the PKPS Aquaculture Sdn Bhd. Responsible in preparing