

SECTION A

(80 marks)

Answer all 20 questions. Each question carries 4 marks.

1. Visual Display Unit

World Wide Web

Central Processing Unit

2.

Oral Communication:	Meetings, seminars, telephone, intercom, social media
Written Communication:	Email, business documents, sms messaging, memo, report, newsletter, notice boards, intranet

3. (i) Fixed Assets (ii) €129,000 (iii) Working Capital

4.

Answer:	(2)
	15%

Workings:	(2)
Net profit = 160,000 – 64,000 = 96,000	
$\frac{96,000}{640,000} \times \frac{100}{1} = 15\%$	

5. Explain the term 'Actuary':

An Actuary is: A financial professional who analyses risk/outcome and uncertainty which is then used in the calculation of insurance premiums.

6.

(i) Purchases A/c

Dr			Cr		
Date	Details	€	Date	Details	€
2015 June 5	(ii) Bank	1,700			

(iii) Bank A/c

Dr			Cr		
Date	Details	€	Date	Details	€
			2015 June 5	(iv) Purchases	1,700

7.

Debtors Control Account					
Dr			Cr		
Date	Details	€	Date	Details	€
01/05/15	Balance b/d	5,900		Cash Received	5,400
	Sales	6,100	31/05/15	Balance c/d	6,600
		12,000			12,000
01/06/15	Balance b/d	6,600			

OR (Alternative Format)

Debtors Control Account				
Date	Details	Dr	Cr	Balance
		€	€	€
01/05/15	Balance b/d			5,900
	Sales	6,100		12,000
	Cash Received		5,400	6,600

8. Explain, with an example, the term ‘Import Substitution’.

An economic policy that encourages replacing imports with domestically produced (Irish) goods/services e.g. buying Irish potatoes instead of Dutch potatoes.

9.

	Operating Statement	Balance Sheet
Sale of hay	✓	
Stock of fertiliser (31/12/2014)	✓	✓
Stables		✓

10. Explain the term ‘Hire Purchase’.

This is a financial arrangement whereby a person gets the use of a good for a period of time by paying a deposit and then paying regular instalments. The goods are owned when the last payment is made.

11.

O’Driscoll Ltd – General Journal				
Date	Details	F	Dr	Cr
			€	€
01/01/2015	Buildings	GL ₁	812,000	
	Bank Overdraft	CB ₁		22,500
	Creditors	CL ₁		26,600
	Ordinary Share Capital	GL ₂		762,900
	<i>Assets, Liabilities and Share Capital of O’Driscoll Ltd on this date.</i>		812,000	812,000

12.

Answer:	(2)
€10,450	

Workings:	(2)
$19,000 \times 0.45 = 8,550$ (paid) Bad Debt = $19,000 - 8,550 = 10,450$ OR $19,000 \times 0.55 = 10,450$ (alternative method)	

13. Explain **two** reasons for sales return.

- (i) The goods were not as ordered
- (ii) Goods did not arrive on the agreed date
- (iii) An incorrect quantity was received
- (iv) The goods were damaged

14.

Invoice

Credit Note

Cheque

15.

Shareholders

Board of Directors

Sales Department

16.

	€
Total (excluding VAT)	1500.00
Trade Discount 35%	525.00
Subtotal	975.00
VAT 23%	224.25
Total (including VAT)	1199.25

17.

- (ii) Interest
- (iii) Profit
- (iv) Wages

18. B C D

19.

White Ltd – Purchases Returns Book						
Date	Details	CN No.	F	Net €	VAT €	Total €
24/05/15	Black Ltd	50	CL	5,000	1,150	6,150

20. 1. Special Offer/Promotional Pricing/Discounts 2. Sponsorship

Total 80 marks