

# SECTION A

(80 marks)

Answer all 20 questions. Each question carries 4 marks.

1. The following initials are used in Banking. What do they stand for?

<b>ATM</b>	
<b>CT</b>	
<b>DD</b>	

2. Name **one** State-owned business involved in **each** of the following activities:

<b>COMMUNICATION</b>	
<b>TRANSPORT</b>	
<b>PRODUCTION</b>	

3. Complete the Balance Sheet (extract) below by filling in the **three** unshaded areas, numbered (i) to (iii):

<b>Balance Sheet (extract) as on 31-12-2015</b>			
<b>Fixed Assets</b>	<b>Cost</b>	<b>Depreciation</b>	<b>Net Book Value</b>
	€	€	€
Machinery	165,000	(i)	132,000
Buildings	900,000	(ii)	846,000
	1,065,000	(iii)	978,000

4. The following figures appear in a company's Final Accounts:

**Opening Stock €32,000      Cost of Sales €624,000      Closing Stock €16,000**

Stock Turnover is calculated as follows:  $\frac{\text{Cost of Sales}}{\text{Average Stock}}$

Using the above figures, calculate the Stock Turnover.  
Show your workings.

<b>Answer</b>
times

<b>Workings</b>

5. Name **two** headings in a Business Plan.

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_

6. On 1 June 2016, R. Keane sold goods on credit to J. McCarthy for €2,600. There was no VAT on these goods.

Complete the **ledger accounts of R. Keane** showing the names of the accounts and the relevant details, numbered (i) to (iv):

(i) \_\_\_\_\_ A/c

Dr					Cr
Date	Details	€	Date	Details	€
2016 June 1	(ii)	2,600			

(iii) \_\_\_\_\_ A/c

Dr					Cr
Date	Details	€	Date	Details	€
			2016 June 1	(iv)	2,600

7. Complete **and** balance the Creditors Control Account on 31 May 2016 from the following information:

	€
Creditors balance on 1 May 2016	6,100
Total credit purchases for May	5,900
Total cash paid to creditors in May	5,500

Creditors Control Account					
Dr					Cr
Date	Details	€	Date	Details	€

**OR (Alternative Format)**

Creditors Control Account				
Date	Details	Dr	Cr	Balance
		€	€	€

8. Explain **one** method of reducing bad debts in an enterprise:

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9. Tick (✓) the appropriate column(s) to indicate where in the final accounts the following items should be entered on 31/12/2015:

	Trading A/c	Profit & Loss A/c	Balance Sheet
Advertising			
Stock (31/12/2015)			
Issued Share Capital			

10. Explain **two** duties of a Shop Steward in any organisation:

- (i) \_\_\_\_\_  
 \_\_\_\_\_
- (ii) \_\_\_\_\_  
 \_\_\_\_\_

11. (i) Enter the following balances in the partially completed General Journal of Taylor Ltd:

1 January 2016	Buildings	€211,100
	Debtors	€44,800

- (ii) Calculate the Ordinary Share Capital:

Taylor Ltd – General Journal				
Date	Details	F	Dr	Cr
			€	€
	Bank Overdraft	CB <sub>1</sub>		6,600
	Buildings	GL <sub>1</sub>		
	Debtors	DL <sub>1</sub>		
	Ordinary Share Capital	GL <sub>2</sub>		
	<i>Assets, Liabilities and Share Capital of Taylor Ltd on this date.</i>			

12. Explain the term **Franchise** in relation to retailing:

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Give **one** example of a well - known franchise:

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13. Andy has arrived home from the USA with \$850. He goes to his bank to change the dollars into euro and sees the following rates quoted:

CURRENCY	BANK SELLS	BANK BUYS
Dollar	1.045	1.120

Calculate the total amount in euro that Andy will receive for his \$850:  
(Show your workings.)

<b>Answer:</b>
€

Workings:

14. Outline **two** reasons why farmers prepare accounts:

- (i) 

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- (ii) 

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15. (i) The cost of living in a country in 2014 was €9,800. In 2015, it was €9,996.

Calculate the rate of inflation. (Show your workings.)

<b>Answer</b>
%

Workings

- (ii) In Ireland, what is the official measure of inflation called?

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16. Outline **two** ways a business could check the credit worthiness of a new customer.

(i) \_\_\_\_\_

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(ii) \_\_\_\_\_

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17. **Column 1** is a list of Marketing Terms. **Column 2** is a list of Statements that can be matched to these Marketing Terms.

*(One statement does not refer to any of the Marketing Terms.)*

Marketing Terms	Statements
1. Branding	A. Product, Price, Place and Promotion
2. Marketing Mix	B. Gathering information from interviews
3. Desk Research	C. Sign, symbol or name used to distinguish products
	D. Gathering information from existing sources

Match the two lists by placing the letter of the correct statement under the relevant number below:

1.	2.	3.

18. Enter the following transaction in the Purchases Returns Book of Sapphire Ltd:  
On 9 May 2016, Sapphire Ltd returned goods €2,100 to Blue Ltd (Credit Note No.10).  
The VAT rate on these goods was 23%.


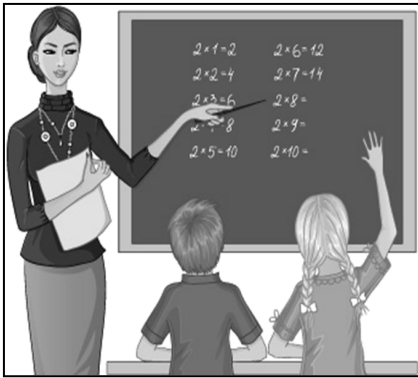
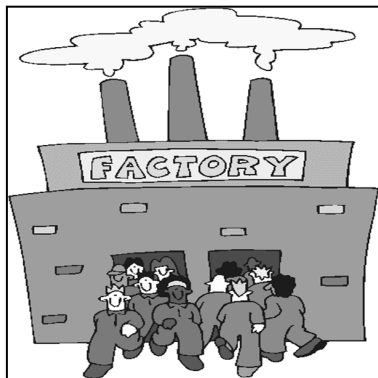
Sapphire Ltd – Purchases Returns Book						
Date	Details	CN No.	F	Net €	VAT €	Total €

19. Complete the Profit & Loss Appropriation Account by filling in the **three** unshaded areas, numbered (i) to (iii), from the following information:

Authorised Share Capital	€740,000
Issued Share Capital	€600,000
Dividends paid	2%

Profit & Loss Appropriation Account for year ending 31-12-2015		
Net Profit		€ <b>74,500</b>
Less Dividends		(i)
(ii)		(iii)

20. Identify **three** different **sectors** in the Irish Economy: Primary, Secondary and Tertiary/Services demonstrated below. Write your answers in the spaces provided.

		
(i)	(ii)	(iii)