

Q.1 Books of First Entry, Ledger and Trial Balance of HILO Ltd

(A~B)

Purchases, Purchases Returns and Analysed Cash Books

Purchases Book of HILO Ltd (4)

Date 2014	Details	Invoice No.	F	Net €	VAT €	Total €
1/5	GO Ltd	27	CL	34,000	7,820	41,820
12/5	STOP Ltd	94	CL	48,000	11,040	59,040
				82,000	18,860	100,860
				GL	GL	
		<i>1</i>		<i>1 (1/2 + 1/2)</i>	<i>1 (1/2 + 1/2)</i>	<i>1 (1/2 + 1/2)</i>

Purchases Returns Book of HILO Ltd (2 1/2)

Date 2014	Details	Credit Note No.	F	Net €	VAT €	Total €
20/5	STOP Ltd	17	CL	16,000	3,680	19,680
				GL	GL	
		<i>1</i>		<i>1/2</i>	<i>1/2</i>	<i>1/2</i>

Analysed Cash Book of HILO Ltd Debit Side (3 1/2)

Date 2014	Details	Receipt No. (1m)	F	Bank €	Sales €	VAT €	Share Capital €	Mark
8/5	Shareholder	1	GL	110,000			110,000	<i>1 (1/2 + 1/2)</i>
16/5	Sales		GL	36,900	30,000	6,900		<i>1 1/2 (1/2 + 1/2 + 1/2)</i>
				146,900	30,000	6,900	110,000	2 1/2
1/6	Balance B/D			96,760				

Analysed Cash Book of HILO Ltd Credit Side (5 1/2)

Date 2014	Details	Cheque No. (1m)	F	Bank €	Purchases €	VAT €	Creditors	Insurance €	Mark
18/5	Insurance	10	GL	8,000				8,000	<i>1 (1/2 + 1/2)</i>
24/5	GO Ltd	11	CL	20,000			20,000		<i>1 (1/2 + 1/2)</i>
17/5	Purchases	12	GL	22,140	18,000	4,140			<i>1 1/2 (1/2 + 1/2 + 1/2)</i>
				52,140	18,000	4,140	20,000	8,000	3 1/2
31/5	Balance C/D			96,760					<i>1</i>
				146,900					

Q.1 Books of First Entry, **Ledger** and Trial Balance of HILO Ltd contd.

								A~C
Date 2014	Detail	F	Total €	Date 2014	Detail	F	Total €	Mark
GENERAL LEDGER OF HILO Ltd								
Share Capital A/C (1)								
				31/5	Bank	ACB	110,000	1
Sales A/C (1)								
				31/5	Bank	ACB	30,000	1
Purchases A/C (2)								
31/5	Total Net Creditors	PB	82,000					1
31/5	Bank	ACB	18,000					1
			100,000					
Purchases Returns A/C (1)								
				31/5	Total Net Creditors	PRB	16,000	1
VAT A/C (5)								
31/5	Credit Purchases	PB	18,860(OF)	31/5	Cash Sales	ACB	6,900	1+1
31/5	Cash Purchases	ACB	4,140(OF)		Purchases Returns	PRB	3,680(OF)	1+1
					Balance C/D		12,420(OF)	1
			23,000				23,000	
1/6	Balance B/D		12,420(OF)					
Insurance A/C (1)								
31/5	Bank	ACB	8,000					1
CREDITORS LEDGER OF HILO Ltd								
GO Ltd A/C (3)								
24/5	Bank	ACB	20,000	1/5	Purchases	PB	41,820(OF)	1+1
31/5	Balance C/D		21,820(OF)					1
			41,820				41,820	
				1/6	Balance B/D		21,820	
STOP Ltd A/C (3)								
7/5	Purchases Returns	PRB	19,680(OF)	12/5	Purchases	PB	59,040(OF)	1+1
31/5	Balance C/D		39,360(OF)					1
			59,040				59,040	
				1/6	Balance B/D		39,360	
Total Marks								17

Q.1 contd.**(C)** Books of First Entry, Ledger and **Trial Balance** of HILO Ltd**Trial Balance of HILO Ltd as on 31/5/2014**

	DR €	CR €	Mark (4½)
Bank	96,760		½
Purchases	100,000		½
Insurance	8,000		½
VAT	12,420		½
GO Ltd		21,820	½
STOP Ltd		39,360	½
Purchases Returns		16,000	½
Share Capital		110,000	½
Sales		30,000	½
	<u>217,180</u>	<u>217,180</u>	

Note: Own Figures in Ledger for: STOP Ltd, GO Ltd, Bank and VAT are allowed if consistent with Books of First Entry and Analysed cash Book.

Marks Summary

Ledger	Purchases Book	Purchases Returns Book	Analysed Cash Book	Trial Balance	Dates	Folios	Total
17	4	2½	9	4½	2	1	40

Q.2 Sales, Business Documents and Bookkeeping

(A)

(i) **Any Three** terms explained @ 4 marks each:

Term	Explanation	Mark
Trade Discount	This is a reduction in the price of goods/services given by one business to another to encourage bulk buying/increase sales.	4
Cash on Delivery	Payment made when goods are delivered to avoid a bad debt.	4
Bank Draft	This is a cheque guaranteed by a bank and used when a buyer is unknown to seller/does not have a current account.	4
Catalogue	This is a booklet/online published by seller setting out details of their goods/services so as to increase sales.	4

(ii) **Two** means by which a business can make an enquiry about goods or services:

Means of enquiry	Mark
Letter	2
Calling personally to the seller	2

(iii) **Two** procedures for processing incoming quotations:

	Procedures	Mark
1	Check the quotation against the enquiry	2
2	Compare with other quotations	2

(B) (i, ii, iii) see next pages

Q.2 cond.

For use with Question 2(B) (i) (10)

ALLSPORTS Ltd, ROYFIELD Road, Cork			INVOICE No. 450		
Telephone: 021 1616616			VAT Reg. No. IE 3639761		
To: OCSPORTSWARE Ltd		Date: 29/5/2014			1+1
Alex Road					
Cork					
QUANTITY	DESCRIPTION	PRICE EACH €	TOTAL €		
60	All weather tracksuits	150	9,000	4	
40	Mens' walking boots	125	5,000		
E & O E			Total (Excluding VAT)	14,000	
			Trade Discount	2,800	1
			Subtotal	11,200	1
			VAT	2,576	1
			Total (Including VAT)	13,776	1

For use with Question 2(B) (ii)

Sales Book of ALLSPORTS Ltd

Date	Details	Invoice No.	F	Net €	VAT €	Total €	Mark
29/5/2014	<i>OCSPORTSWARE Ltd</i>	450	DL	11,200	2,576	13,776	
1	1	1	1	1	1	1	7

For use with Question 2 (B) (iii)

Tick ✓	Yes	No	Explanation of Answer	Mark
		✓	<i>OCSPORTSWARE Ltd purchased over €10,000 worth of goods(as per quotation)</i>	1 + 2

Marks Summary

A	20
B	20

Q.3 Analysed Cash Book, Managing the Finances of a Business

(A) Analysed Cash Book of SPARKS Ltd (Debit Side) (9½)

Date 2014	Details	Receipt No. (1)	Bank €	Householders €	Companies €	Schools €	Mark
3/5	Mary Cooney	1	900	900			1(½+½)
12/5	ACCD Ltd	2	6,000		6,000		1(½+½)
18/5	St. Jude's NS	3	4,700			4,700	1(½+½)
27/5	CBS PP	4	2,800			2,800	1(½+½)
29/5	John Murphy	5	750	750			1(½+½)
30/5	2U Ltd	6	2,200		2,200		1(½+½)
			17,350	1,650	8,200	7,500	
31/5	Balance C/D		2,560				2
(½)			19,910				

Analysed Cash Book of SPARKS Ltd (Credit Side) (9½)

Date 2014	Details	Cheque No. (1)	Bank €	Wages €	Materials €	Motor €	Advertisement €	Mark
1/5	Balance B/D		8,700					2
4/5	Materials	1	1,300		1,300			1(½+½)
10/5	Van Insurance	2	3,000			3,000		1(½+½)
15/5	Wages	3	2,000	2,000				1(½+½)
20/5	Petrol	4	210			210		1(½+½)
23/5	Advertisement	5	1,200				1,200	1(½+½)
31/5	Wages	6	3,500	3,500				1(½+½)
			19,910	5,500	1,300	3,210	1,200	
1/6	Balance B/D		2,560					
(½)								

(B)

(i) **Three** procedures for monitoring overheads:

	Procedures	Mark
1	Set targets/budgets for each overhead	2
2	Record actual overheads	2
3	Compare Actual overheads with targets/budgets set	2

(ii) **Two ways** of getting customers to pay on time:

	Procedures	Mark
1	Give reductions in the amount due for prompt payment	3
2	Charge interest on payments that are overdue	3

- (iii) **Identify** the main overhead and give **two ways** by which they could be reduced:

		Mark
	Wages is the main overhead	3
	Ways of Reducing Wages	
1	Reduce wages by using more mechanisation	3
2	Reduce overtime payments	3

Marks Summary

A	19
B	21

Q.4 Final Accounts and Balance Sheet
(A)

1½		+ 1	+ 1½		Mark
Trading, Profit and Loss Appropriation Account of YES Ltd for the year ended 31/12/2013					
		€	€	€	
	Sales			390,000	½
	Less Cost of Sales				
01/01/2012	Opening Stock		20,000		½
	Purchases		128,000		½
	Import Duty		9,000		½
	Cost of Goods Available for Sale		157,000		0
31/12/2012	Less Closing Stock		14,000	143,000	½+0
	GROSS PROFIT			247,000	2 (1+1)
	Add Gains				
	Rent Receivable		16,000		½
	Add Rent Receivable due		6,000	22,000	½+½
				269,000 (OF)	0
	Less Expenses				
	Wages	70,000			½
	Add Wages due	8,000	78,000		½ + ½
	Insurance	12,800			½
	Less Insurance prepaid	3,400	9,400		½+½
	20 Year Loan Interest		4,000		½
	Depreciation: Buildings	21,000			½
	Machinery	23,800	44,800	136,200	½+½+0
	NET PROFIT			132,800 (OF)	3(1+2)
	Less Dividends paid			14,000	½
				118,800 (OF)	0
	Add Opening Reserves			85,000	1
	RESERVES			203,800 (OF)	0
					19½

Q.4 (A) contd.

$\frac{1}{2}$	<i>I</i>	$\frac{1}{2}$	Mark
Balance Sheet of YES Ltd as on 31/12/2013			
FIXED ASSETS	€ Cost	€ Depreciation	€ NBV
Buildings	420,000	21,000 (OF)	399,000 (OF)
Machinery	170,000	23,800 (OF)	146,200 (OF)
Total Fixed Assets	590,000	44,800 (OF)	545,200 (OF)
CURRENT ASSETS			
Closing Stock	14,000		
Debtors	22,000		
Cash	5,200		
Rent Receivable due	6,000		
Insurance prepaid	3,400	50,600	
Less CURRENT LIABILITIES			
Bank Overdraft	6,000		
Creditors	18,000		
Wages due	8,000	32,000	
WORKING CAPITAL			18,600
TOTAL NET ASSETS			563,800 (OF)
FINANCED BY	AUTHORISED	ISSUED	
350,000 €1 Ordinary Shares	350,000	280,000	
Add Reserves		203,800 (OF)	
Add Long Term Liabilities			
20 year Loan		80,000	
CAPITAL EMPLOYED			563,800 (OF)
			14½

(B)

Rate of interest on 20 Year Loan	Mark
5%	5

Marks Summary

A	Trading Profit and Loss Appropriation Account Balance Sheet Presentation	19½ 14½ 1	35	Total
B	Correct Answer		5	40 marks

Q.5

(A) (i)

Answer	Mark
€300,000	4m

Q.5 (A) (ii)

MEMORANDUM OF ASSOCIATION		1
1.	The Name of the Company is <u>CMS Ltd</u>	
2.	The Objects for which the Company is established are: <u>Conversion of attics into extra living space</u>	1
3.	The Liability of the members <u>Limited</u>	1
4.	The Share Capital of the Company is <u>€200,000</u>	1
	divided into <u>200,000 €1 ordinary shares</u>	1
We the several persons whose names. Addresses and descriptions are subscribed wish to be formed into a Company in pursuance of the Memorandum of Association and we agree to take the number of shares in the Capital of the Company set opposite our names.		
Name, Address of each Subscriber		Number of Shares taken by each subscriber
Mary Kelly		25,000
Lofty Heights		
Tuam		
Co. Galway		
Patrick Kelly		25,000
Lofty Heights		
Tuam		
Co. Galway		
Date: 10 June 2014		

Q.5 (A) contd.**Q.5(B) (i)**

Name of document: <i>Certificate of Incorporation</i>	3
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For use with Q 5(B) (ii)**LEDGER of CMS Ltd**

Date	Details	F	Total €	Date	Details	F	Total €	Mark
Bank A/C (p. 1)								3
10/6/2014	Ordinary Share Capital	GL	50,000					
Ordinary Share Capital A/C (p.2)								3
				10/6/2014	Bank	ACB	50,000	

(C) (i)

Answer	Calculation	Mark
€9,500	Cost = €7,600 (€4,200 + €2,800 + €600) €7,600 + €1,900(25% of cost) = €9,500	4

(C) (ii) Advertisement

There are **five** points of information required (at 2 marks each) but the **three marked with a tick** are essential.

	Points of Information	Example	Mark
	Name of Company	<i>C M S Ltd</i>	5 @ 2
✓	Name of Product/ Service	<i>Attic Conversions</i>	
✓	Selling Price	<i>€9,500 for average attic conversion</i>	
✓	Where to purchase	<i>Online at www.cms.ie</i>	
	Date of launch	<i>1 July 2014</i>	
	Availability	<i>Orders accepted from 1 July 2014 onwards</i>	
	Promotional	<i>As Seen on the Dragon's Den</i>	0 to 4 marks
	Presentation Point (Picture/ words that make an impact) e.g.	“Move on Up as the Sky's the limit”	
	Total Marks		14

Marks Summary

A	13
B	9
C	18

Q.6 Employment and Industrial Relations

(A)

	Two rights of employers include:	Mark
1	Decide on the aims of the business.	3
2	Select suitable employees by deciding on the level of qualifications and experience required	3

	Two rights of employees include:	Mark
1	To work in a safe workplace	3
2	To be paid the minimum wage	3

(B) **Three** steps in the resolution of an industrial relations dispute:

	Steps	Mark
	Employees/union discuss the problem with the employer.	First valid step 4 marks plus two other steps @ 1 mark each
	A suitable third party is asked to help solve the problem.	
	Both parties agree that a suitable third party investigate the problem and accept the decision arrived at.	

(C) (i)

	Parties	Mark
1	Dublin Bus	2
2	SIPTU	2
3	NBRU	2

(C) (ii)

What was the dispute about:	Mark
The Cost cutting plan of €11.7 million being introduced by Dublin Bus and reference to any one of the following:	2
(i) Reducing the employees starting pay by 10%,	+
(ii) increasing the working week from 36 hours to 39 hours,	
(iii) cutting overtime rates from treble time to double time	2

(C) (iii)

	Parties	Mark
1	Shoppers	2
2	Other workers trying to go to work	2

Q.6 C) contd.**(C)** (iv)

Third Party	Mark
Labour Court	2

(C) (v)

Answer	Mark
€88	6

Marks Summary

A	12
B	6
C	22