

SECTION A

(80 marks)

Answer all 20 questions. Each question carries 4 marks.

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

PAYE	
USC	
PRSI	

2. Identify **one** example of Government Capital Income and **one** example of Government Capital Expenditure.

CAPITAL INCOME	
CAPITAL EXPENDITURE	

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

Summary Balance Sheet as on 31-12-2012		
	€	€
(i)		
Share Capital		100,000
Reserves		(ii)
		400,000
Long-Term Liabilities		130,000
(iii)		530,000

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

Opening Stock €30,000 Cost of Sales €450,000 Closing Stock €15,000

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.

Answer
times

Workings

5. Explain **two** reasons why farmers prepare accounts.

(i) _____

(ii) _____

6. On 8 June 2013, B. Adams, a baker, sold goods for €50.00 cash. There was no VAT on these goods.

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

(i) _____ A/c					
Dr			Cr		
Date	Details	€	Date	Details	€
2013 June 8	(ii)	50.00			

(iii) _____ A/c					
Dr			Cr		
Date	Details	€	Date	Details	€
			2013 June 8	(iv)	50.00

7. Complete **and** balance the Creditors Control Account on 31 May 2013 from the following information:

	€
Creditors balance on 1 May 2013	4,400
Total credit purchases for May	9,300
Total cash paid to creditors in May	11,900

Creditors Control Account					
Dr					Cr
Date	Details	€	Date	Details	€

OR (Alternative Format)

Creditors Control Account				
Date	Details	Dr	Cr	Balance
		€	€	€

8. Give **three** uses of Information Technology in the home.

- (i) _____
- (ii) _____
- (iii) _____

9. Tick (✓) the appropriate column(s) to indicate where in the Final Accounts of a Dentist (service business) the following items should be entered on 31/12/2012:

	Operating Statement	Balance Sheet
Equipment		
Income from Patients		
Stock of Dental Materials 31/12/2012		

10. State **two** principles in Irish consumer law relating to advertising.

(i) _____

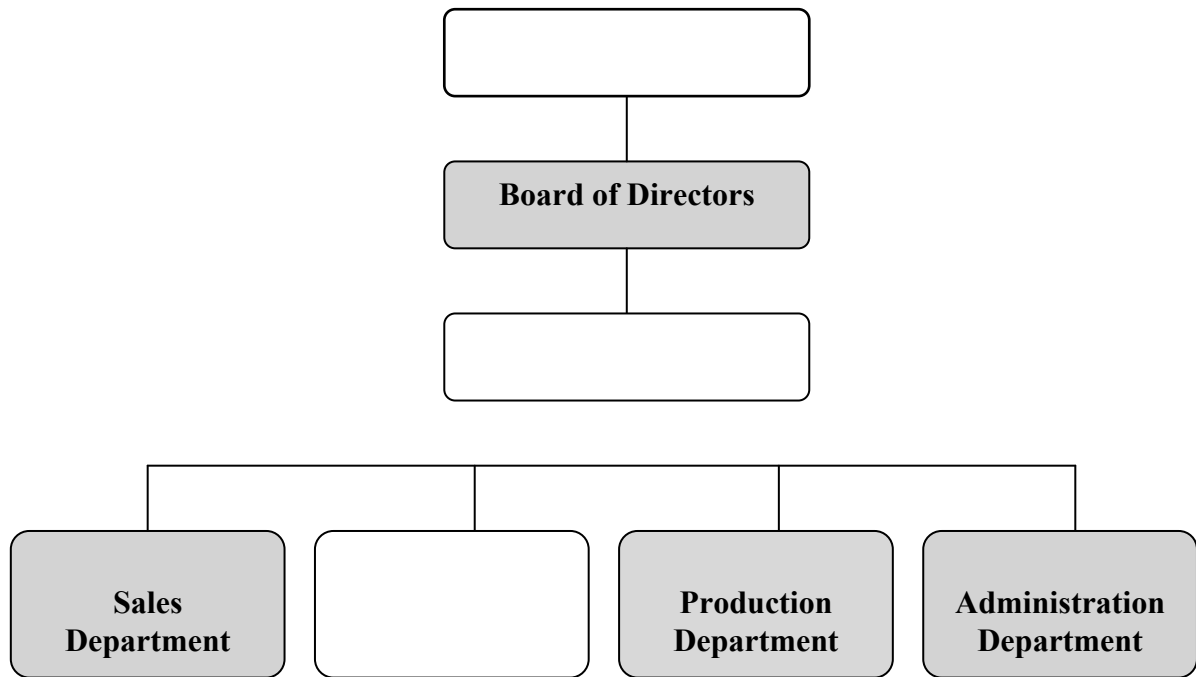
(ii) _____

11. Enter the following balances in the partially completed General Journal of Cummins Ltd:

1 January 2013	Buildings	€520,500
	Creditors	€12,800
	Ordinary Share Capital	€513,600

Cummins Ltd – General Journal				
Date	Details	F	Dr	Cr
			€	€
	Bank	CB ₁	5,900	
	Buildings	GL ₁		
	Creditors	CL ₁		
	Ordinary Share Capital	GL ₂		
	<i>Assets, Liabilities and Share Capital of Cummins Ltd on this date.</i>			

12. Complete the Organisational Chart of a limited company that has four departments, by filling in the **three** unshaded areas:



13. Complete the following extract from an invoice:

	€
Total (excluding VAT)	900.00
Trade Discount 15%	
Subtotal	
VAT 23%	
Total (including VAT)	

14. Using your knowledge of currencies complete the table below:

	Country	Currency
(i)	United Kingdom	
(ii)	Japan	
(iii)	U.S.A.	

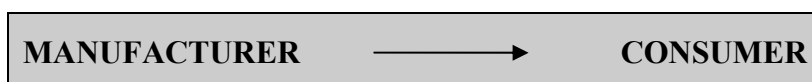
15. (i) The cost of living in a country in 2011 was €8,500. In 2012, it was €8,755.

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

Answer	Workings
%	

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

16. Study the following channel of distribution:



- (i) State a product or service suited to this channel of distribution.

- (ii) State **one** advantage from this channel of distribution for the manufacturer **or** the consumer.

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. Target Market	A. Gathering information from existing sources
2. Marketing Mix	B. People expected to become customers
3. Desk Research	C. Gathering information from interviews
	D. Product, Price, Place and Promotion

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 Diamond Ltd:

On 9 May 2013, Diamond Ltd returned goods €12,500 to Park Ltd (Credit Note No. 10).
The VAT rate on these goods was 23%.

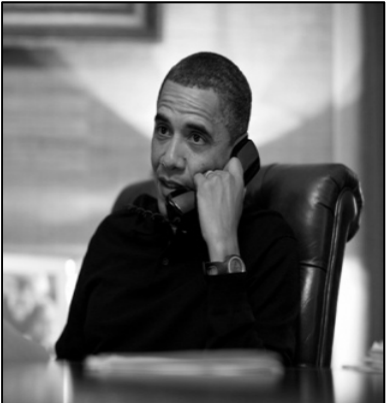
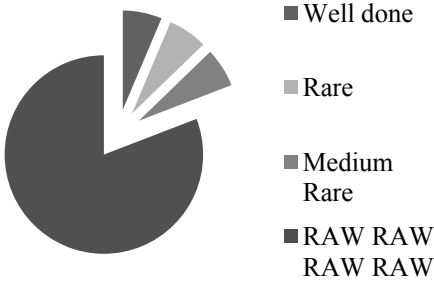
Diamond Ltd – Purchases Returns Book						
Date	Details	CN No.	F	Net €	VAT €	Total €

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	€900,000
Issued Share Capital	€800,000
Dividends paid	2%

Profit & Loss Appropriation Account for year ending 31-12-2012		
Net Profit		€ 90,000
Less Dividends		(i)
(ii)		(iii)

20. Identify **three** different **types** of communication demonstrated below. Write your answers in the spaces provided.

	<p>How does Lady Gaga like her steak?</p> 	<p><i>ABC Ltd</i></p> <p>Memo</p> <p>From: Martin Corbett Date: 11 June 2013</p> <p>Please remember Staff Meeting at 11.00 a.m. tomorrow</p>
(i)	(ii)	(iii)