

SECTION A

(80 marks)

Answer all 20 questions. Each question carries 4 marks.

1.

Pay As You Earn
Universal Social Charge
Pay Related Social Insurance

2.

CAPITAL INCOME: EU Grants/Sale of semi state company/borrowing
CAPITAL EXPENDITURE: Building schools/hospital/infrastructure.

3.

- (i) Financed by
- (ii) €300,000
- (iii) Capital Employed

4.

Answer
20 times

Workings
Average Stock = $30,000 + 15,000/2 = €22,500$
$\frac{450,000}{22,500} = 20$

5.

- (i) To see if the farm makes a profit or loss.
- (ii) To know how much is received and spent during the year.
- (iii) To calculate their tax liability.
- (iv) To apply for grants
- (v) To apply for loans.
- (vi) Budgeting/decision making/planning/comparison.
- (vii) To find out how much the farm is worth.

6.

- (i) Cash/Bank
- (ii) Sales
- (iii) Sales
- (iv) Cash/Bank

7.

Creditors Control Account					
Dr			Cr		
Date	Details	€	Date	Details	€
	Cash/Bank	11,900	1/5/2013	Balance b/d	4,400
	Balance c/d	1,800		Purchases	9,300
		13,700			13,700
			1/6/2013	Balance b/d	1,800

OR (Alternative Format)

Creditors Control Account				
Date	Details	Dr	Cr	Balance
		€	€	€
1/5/2013	Balance			4,400
	Purchases		9,300	13,700
	Cash	11,900		1,800

8.

- (i) Internet/Research/Education/Shopping/Banking.
- (ii) Communications/Email/Skype/Facebook/Twitter/Letters & Reports/Word-processing.
- (iii) Filing/Database/Accounts/Spreadsheets/Budgeting.
- (iv) Entertainment/Music/Films/Television/Games/Photographs/Graphics.
- (v) Kitchen appliances/Central Heating/Security systems.

9.

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

10.

- (i) Price: It is illegal to give a false price for a product or service.
- (ii) Descriptions: Advertisements must not be false or make misleading regarding claims about a product or service e.g. location, distance, opening hours.

11.

Cummins Ltd – General Journal				
Date	Details	F	Dr	Cr
	Bank	CB ₁	5,900	
	Buildings	GL ₁	520,500	
	Creditors	CL ₁		12,800
	Ordinary Share Capital	GL ₂		513,600
	<i>Assets, Liabilities and Share Capital of Cummins Ltd on this date.</i>		526,400	526,400

12.

Shareholders
 Managing Director
 Finance Department/HR/R & D/IT/Purchasing/Marketing/Distribution.

13.

	€
Total (excluding VAT)	900.00
Trade Discount 15%	135.00
Subtotal	765.00
VAT 23%	175.95
Total (including VAT)	940.95

14.

- (i) Sterling
- (ii) Yen
- (iii) Dollar

15. (i)

Answer = 3 %

Workings

$$\frac{255}{8,500} \times \frac{100}{1} = 3\%$$

(ii) Consumer Price Index

16.

(i) Strawberries
Designer Clothing
Country Market Produce
Computers
Financial advice
Hair Dressing

(ii) The consumer gets the goods at a cheaper price.
The consumer receives the goods/service designed to meet their need
The manufacturer reduces transport, marketing and distribution costs.
The manufacturer may be able to charge extra.

17.

B D A

18.

Diamond Ltd – Purchases Returns Book						
Date	Details	CN No.	F	Net €	VAT €	Total €
9/5/2013	Park Ltd	10	CL 1	12,500	2,875	15,375

19.

(i) €16,000
(ii) Retained Earnings/Profit Retained/Revenue Reserve/Profit and Loss Balance
(iii) €74,000

20.

(i) Oral (ii) Visual (iii) Written