

## SECTION A

Q.8

(4 @ 1)

Debtors Control Account					
Date	Details	€	Date	Details	€
01/05/11	Balance b/f	4,900	31/05/11	Cash/Bank	6,100
31/05/11	Credit Sales	5,900	31/05/11	Balance c/d	4,700
		10,800			10,800
01/06/11	Balance b/d	4,700			

*Or*

Debtors Control Account				
Date	Details	Dr	Cr	Balance
		€	€	€
01/05/11	Balance b/d			4,900
31/05/11	Credit Sales	5,900		10,800
31/05/11	Cash/Bank		6,100	4,700

**Q.9** Inflation is an increase in the general level of prices over a time period usually one year. (1 + 1 +2)

Q.10

(4 @ 1)

	Operating Statement	Balance Sheet
Income from Patients	✓	
Equipment		✓
Stock of Medicine	✓	✓

Q.11

- Goods sold must be of merchantable quality.
- Goods must be fit for the purpose intended.
- The goods must match their description/correspond to the sample shown.
- Services must be provided by a competent person, and use quality materials.
- The contract is between the customer and the seller.

(2 @ 2)

Q.12

(4 @ 1)

General Journal				
Date	Details	F	Dr	Cr
01/01/11			€	€
	Bank	CB1	25,000	
	Premises	GL1	600,000	
	Creditor	CB1		42,000
	Ordinary Share Capital	GL2		583,000
	Assets, Liabilities & Share Capital of Crowe Ltd on this date.		625,000	625,000

**Q.13 (i) Imprest:** Is a *fixed amount* of cash provided to the petty cashier at the *beginning of each month* to cover small expenses. This fixed balance is sometimes described as a float. (2)

(ii)

**Answer:**

€239

**Workings:** (1)\*

$$56 + 93 + 90 = 239$$

(2)

**Q.14** Product, Place, Price, Promotion. (4 @ 1)

**Q.15**

- Goods were not ordered or didn't correspond to sample or match description.
- Goods arrived damaged/faulty.
- Excess quantity supplied.
- Goods did not arrive on an agreed date.

(2 @ 2)

**Q.16 Current Income:** PAYE, VAT, DIRT, Corporation Tax, Customs & Excise Duty, Profit from Lottery and State Companies. (2)

**Current Expenditure:** Social Welfare, wages of public servants, running costs of state buildings, e.g. light and heat, repairs to school hospitals, libraries. (2)

**Q.17** (4 @ 1)

**Violet Ltd Purchases Book**

Date	Details	Invoice No.	F	Net €	VAT €	Total €
12/06/11	Rose Ltd	5	CL1	3,500	735	4,235

**Q.18** (2 @ 2)

It is an **item of value** given by a borrower to a lender/financial institution which may be **sold/kept** should the borrower fail to **pay back** the loan e.g. deed to property, share certificates, life assurance policy.

**Q.19** E A C B (4 @ 1)

**Q.20**

**Answer:**

400g

**Workings:**

(1)\*

0.8c or 1.25g  
0.67c or 1.5g  
0.625c or 1.6g

(4)