

SECTION A

(80 marks)

Answer all 20 questions. Each question carries 4 marks.

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

VDU	
WWW	
CPU	

2. Identify **one** example of Oral Communication and **one** example of a Written Communication in a business.

ORAL COMMUNICATION	
WRITTEN COMMUNICATION	

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

Balance Sheet (extract) as on 31-12-2014		
	€	€
(i)		540,000
Current Assets	(ii)	
Less Current Liabilities	59,000	
(iii)		70,000
Total Net Assets		610,000

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

Gross Profit €160,000

Sales €640,000

Total Expenses €64,000

Net Profit Percentage is calculated as follows: $\frac{\text{Net Profit}}{\text{Sales}} \times \frac{100}{1}$

Using the above figures, calculate the Net Profit Percentage.

Show your workings.

Answer:
%

Workings:

5. Explain the term 'Actuary'.

6. On 5 June 2015, S. Lally, a shopkeeper, purchased goods for €1,700 by cheque.

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

(i) _____ A/c			Cr		
Dr					
Date	Details	€	Date	Details	€
2015 June 5	(ii)	1,700			

(iii) _____ A/c			Cr		
Dr					
Date	Details	€	Date	Details	€
			2015 June 5	(iv)	1,700

7. Complete **and** balance the Debtors Control Account on 31 May 2015 from the following information:

	€
Debtors balance on 1 May 2015	5,900
Total credit sales for May	6,100
Total cash received from debtors in May	5,400

Debtors Control Account					
Dr					Cr
Date	Details	€	Date	Details	€

OR (Alternative Format)

Debtors Control Account				
Date	Details	Dr	Cr	Balance
		€	€	€

8. Explain, with an example, the term 'Import Substitution'.

9. Tick (✓) the appropriate column(s) to indicate where in the final accounts of a farming business the following items should be entered on 31/12/2014:

	Operating Statement	Balance Sheet
Sale of hay		
Stock of fertiliser (31/12/2014)		
Stables		

10. Explain the term 'Hire Purchase'.

11. Enter the following balances in the partially completed General Journal of O' Driscoll Ltd:

1 January 2015	Bank Overdraft	€22,500
	Creditors	€26,600
	Ordinary Share Capital	€762,900

O'Driscoll Ltd – General Journal				
Date	Details	F	Dr	Cr
			€	€
	Buildings	GL ₁	812,000	
	Bank Overdraft	CB ₁		
	Creditors	CL ₁		
	Ordinary Share Capital	GL ₂		
	<i>Assets, Liabilities and Share Capital of O'Driscoll Ltd on this date.</i>			

12. A debtor owed a business €19,000. The debtor was declared bankrupt and paid 45 cent in the euro. The balance was written off as a bad debt.

Calculate the amount written off as a bad debt. (Show your workings.)

Answer:
€

Workings:

13. Explain **two** reasons for sales returns.

(i) _____

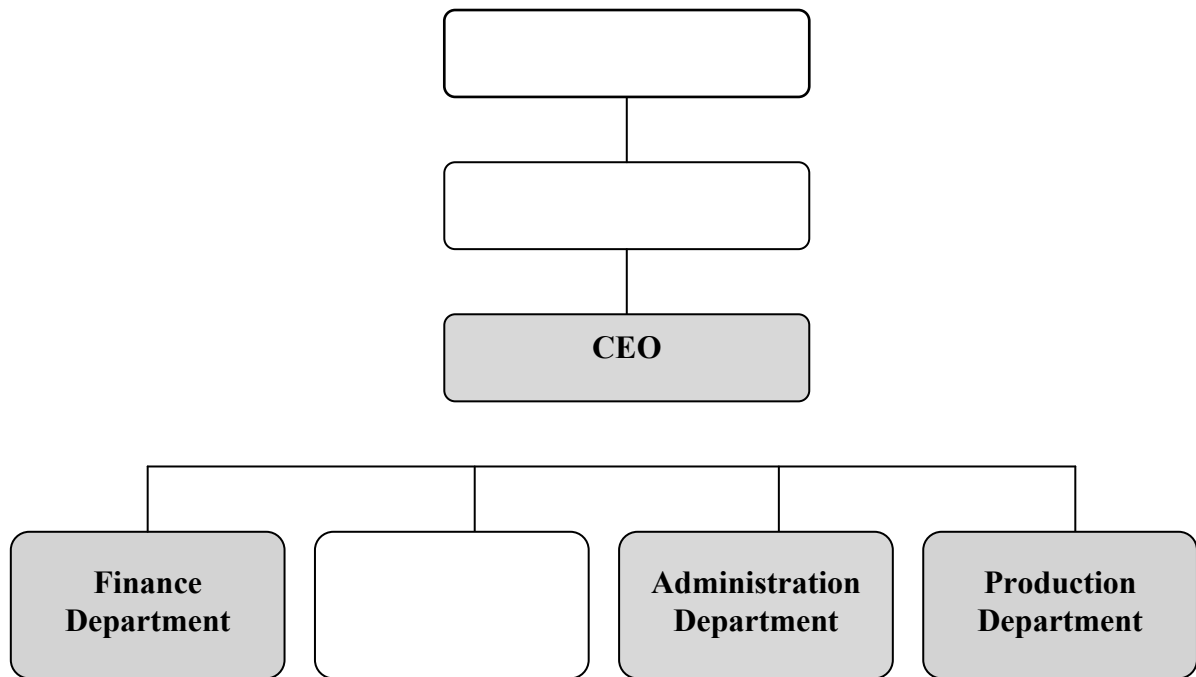
(ii) _____

14. Select the correct document from the following list to complete the **three** unshaded areas in the table below:

Cheque	Invoice	Credit Note
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Buyer Sends	Seller Sends
1. Letter of Enquiry	2. Quotation
3. Order	4.
5. Returns	6.
	7. Statement
8.	9. Receipt

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



16. Complete the following extract from an invoice:

	€
Total (excluding VAT)	1500.00
Trade Discount 35%	
Subtotal	
VAT 23%	
Total (including VAT)	

17. Using your knowledge of the factors of production and their rewards/payments, fill in the missing information in the unshaded spaces below:

FACTORS OF PRODUCTION		REWARD/PAYMENT
(i)	Land	Rent
(ii)	Capital	
(iii)	Enterprise	
(iv)	Labour	

18. **Column 1** is a list of forms of business. **Column 2** is a list of statements which can be matched to these terms. (One statement does not refer to any of the forms of business terms.)

Column 1 – Forms of Business	Column 2 – Statements
1. Sole Trader	A. Has the letters PLC after its name
2. Private Limited Company	B. Owner has unlimited liability
3. Co-operative	C. Has the letters Ltd after its name
	D. One vote per member

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

1.	2.	3.

19. Enter the following transaction in the Purchases Returns Book of White Ltd:

On 24 May 2015, White Ltd returned goods €5,000 to Black Ltd (Credit Note No. 50).
The VAT rate on these goods is 23%.

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

20. Identify **each** of the Sales Promotion Methods illustrated below. Write your answers in the spaces provided below each image. (One answer has already been completed.)

		
1.	2.	3. Loyalty Card