

SECTION A

(80 marks)

Answer all 20 questions. Each question carries 4 marks.

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

APR	
ATM	
PIN	

2. Identify **one** example of regular income for each of the following:

Employed Person	
Unemployed Person	
Retired Person	

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

Balance Sheet (extract) as on 31-12-2010		
	€	€
Fixed Assets		(i)
Current Assets	490,000	
Less Current Liabilities	(ii)	
(iii)		120,000
Total Net Assets		840,000

4. Identify **two** responsibilities of an employer towards their employees:

(i) _____

(ii) _____

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

Gross Profit €180,000

Sales €720,000

Total Expenses €60,000

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:

6. Explain **two** factors that a company would take into account before deciding on a suitable delivery system for their goods:

(i) _____

(ii) _____

7. On 7 June 2011, T. Smyth bought goods on credit from J. Foley for €8,120. There was no VAT on these goods.

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

(i) _____ A/c

Dr			Cr		
Date	Details	€	Date	Details	€
2011 June 7	(ii)	8,120			

(iii) _____ A/c

Dr			Cr		
Date	Details	€	Date	Details	€
			2011 June 7	(iv)	8,120

8. Complete **and** balance the Debtors Control Account on 31 May 2011 from the following information:

	€
Debtors balance on 1 May 2011	4,900
Total credit sales for May	5,900
Total cash received from debtors in May	6,100

Debtors Control Account					
Dr			Cr		
Date	Details	€	Date	Details	€

OR (Alternative Format)

Debtors Control Account				
Date	Details	Dr	Cr	Balance
		€	€	€

9. Explain the term 'Inflation'.

10. Tick (✓) the appropriate column(s) to indicate where in the Final Accounts of a Doctor (service business) the following items should be entered on 31/12/2010:

	Operating Statement	Balance Sheet
Income from Patients		
Equipment		
Stock of Medicines 31/12/2010		

11. State **two** principles of the **Sale of Goods and Supply of Services Act 1980** relating to goods.

(i) _____

(ii) _____

12. Enter the following balances in the partially completed General Journal of Barr Ltd:

1 January 2011	Premises	€600,000
	Creditors	€42,000
	Ordinary Share Capital	€583,000

Barr Ltd – General Journal				
Date	Details	F	Dr	Cr
			€	€
	Bank	CB ₁	25,000	
	Premises	GL ₁		
	Creditors	CL ₁		
	Ordinary Share Capital	GL ₂		
	<i>Assets, Liabilities and Share Capital of Barr Ltd on this date.</i>			

- 13.** On 1 May 2011, a Petty Cashier had an imprest of €250. During the month of May, he spent €56 on stationery, €93 on postage and €90 on refreshments.

(i) Explain the term 'Imprest'.

(ii) Calculate the amount the Petty Cashier will require to restore the imprest.
Show your workings.

Answer:
€

Workings:

- 14.** List the four P's of marketing (the marketing mix).

(i)	
(ii)	
(iii)	
(iv)	

- 15.** Explain **two** reasons for Purchases Returns.

(i)

(ii)

16. Identify **one** example of Government Current Income and **one** example of Government Current Expenditure:

CURRENT INCOME	
CURRENT EXPENDITURE	

17. Enter the following transaction in the Purchases Book of Violet Ltd:

On 12 June 2011, Violet Ltd purchased goods €3,500 from Rose Ltd (Invoice No. 5).
The VAT rate on these goods was 21%.

Violet Ltd – Purchases Book						
Date	Details	Invoice No.	F	Net €	VAT €	Total €

18. Explain the term ‘Collateral/Security’.

19. **Column 1** is a list of information technology terms. **Column 2** is a list of statements that can be matched to these terms.

(One statement does not refer to any of the information technology terms.)

Information Technology Terms	Statements
1. Electronic Mail (e-mail)	A. Controller/Heart of the computer.
2. Central Processing Unit	B. Visual Display Unit.
3. Spreadsheet	C. Program used to perform mathematical and financial calculations.
4. Monitor	D. Program used to keep computerised records.
	E. Method of sending messages between computers over the internet.

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

1.	2.	3.	4.

20. Calculate which carton size of Fruity Orange Juice is the best value for money.



Tick (✓) the correct box

200g	<input type="checkbox"/>
300g	<input type="checkbox"/>
400g	<input type="checkbox"/>

Workings