

# SECTION A

(80 marks)

Answer all 20 questions. Each question carries 4 marks.

1.

<b>B/D</b>	Brought Down
<b>GL</b>	General Ledger
<b>Dr</b>	Debit

2.

<b>CURRENT EXPENDITURE</b>	Light and heating in schools/teacher's wages/school running costs/school supplies.
<b>CAPITAL EXPENDITURE</b>	Building new schools.

3.

Balance Sheet (extract) as at 31-12-2016		
Financed by	€	€
<b>(i) Share Capital</b>		440,000
Reserves		<b>(ii) 180,000</b>
		620,000
Long-Term Liabilities		150,000
<b>(iii) Capital Employed</b>		770,000

4.

<b>Answer</b>
<b>1.6 : 1</b>

<b>Workings</b>
(110,000 – 22,000) : 55,000 88,000 : 55,000 1.6 : 1

5.

The Government owns, operates and manages production facilities e.g. China.  
The Government owns and controls the factors of production e.g. North Korea.  
The Government decides on which goods/services are produced.

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6.

(i) <u>Purchases</u> a/c					
Dr			Cr		
Date	Details	€	Date	Details	€
2017 June 6	(ii) Cash/bank	100			

(iii) <u>Cash/bank</u> a/c					
Dr			Cr		
Date	Details	€	Date	Details	€
			2017 June 6	(iv) Purchases	100

7.

Debtors Control Account					
Dr					Cr
Date	Details	€	Date	Details	€
2017			2017		
May 1	Balance b/d	1,700	May 31	Cash/bank	2,100
May 31	Sales	9,400	May 31	Balance	9,000
		11,100			11,100
June 1	Balance b/d	9,000			

OR (Alternative Format)

Debtors Control Account				
Date	Details	Dr	Cr	Balance
2017		€	€	€
May 1	Balance			1,700
May 31	Sales	9,400		11,100
May 31	Cash/bank		2,100	9,000

8. The shareholders/owners can only lose what they have invested in the company if the company goes bankrupt/cannot be responsible for company debts if the company goes bankrupt.

9.

	Operating Statement	Balance Sheet
Sale of Hair Products	✓	
Equipment Depreciation	✓	✓
Insurance	✓	

10. (i) What was the opportunity cost involved? **Dolores did not go to the cinema.**

(ii) What was the financial cost involved? **€20 spent on phone credit.**

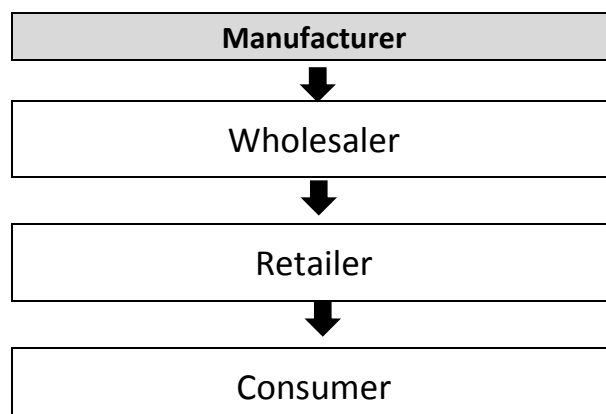
11.

Dolman Ltd – General Journal				
Date	Details	F	Dr	Cr
			€	€
	Premises	GL <sub>1</sub>	555,900	
	Bank	CB <sub>1</sub>	<b>19,000</b>	
	Creditors	CL <sub>1</sub>		<b>61,000</b>
	Ordinary Share Capital	GL <sub>2</sub>		<b>513,900</b>
	<i>Assets, Liabilities and Share Capital of Dolman Ltd on this date.</i>		<b>574,900</b>	<b>574,900</b>


12. Distinguish between a grant and a loan:

- A grant is non-repayable whereas a loan must be paid back.
- A grant is interest free whereas a loan must be repaid with interest.
- No security is required for a grant but may be required with a loan.
- Grants are usually provided by the Government or EU whereas loans are provided by financial institutions.

13.



14.

Promotion	Title	€	Workings
	The GAA County by County	29.99	$  \begin{array}{r}  29.99 \\  + 19.99 \\  \hline  49.98  \end{array}  $
	The Battle	(18.99)	
	Walking Tall	19.99	
	Total Cost	49.98	

15.

Answer:
<b>€28.06</b>

Workings:
$  \frac{667}{29} = 23 \times 1.22 = 28.06  $

16.

- The owner keeps all profits earned/potential to earn wealth.
- You are your own boss/can make all decisions/choose your own working hours.
- There is more motivation/job satisfaction.

17.

1.	2.	3.
D	A	B

18.

Riviera Ltd – Purchases Returns Book						
Date	Details	CN No.	F	Net €	VAT €	Total €
31/05/2017	Slaney Ltd	56	CL <sub>1</sub>	1,700	391	2,091

19.

	€
Total (excluding VAT)	2,800.00
Trade Discount <b>30%</b>	<b>(840.00)</b>
Subtotal	<b>1,960.00</b>
VAT <b>23%</b>	<b>450.80</b>
Total (including VAT)	<b>2410.80</b>

20.

(ii) Land      (iii) Capital      (iv) Labour

**Total 80 Marks**