

Answer all twenty questions

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

| | |
|------------|--|
| Dr | |
| B/D | |
| Cr | |

2. Explain the following terms used in IT.

(i) Hardware

(ii) Software

3. Complete the Profit & Loss Appropriation Account by filling in the **three** unshaded areas, numbered **(i)** to **(iii)**, from the following information:

| | |
|--------------------------|----------|
| Authorised Share Capital | €800,000 |
| Issued Share Capital | €500,000 |
| Dividends declared | 7.5% |

| Profit & Loss Appropriation Account for year ending 30-04-2010 | | |
|----------------------------------------------------------------|--|---------------|
| | | € |
| Net Profit | | 90,000 |
| Less Dividends | | (i) |
| (ii) | | (iii) |
| | | |

4. Tick (✓) the appropriate column(s) to indicate where in the final accounts of a farming business the following items should be entered on 31/3/2010:

| | Operating Statement | Balance Sheet |
|--------------------------------|---------------------|---------------|
| Vet fees | | |
| Land | | |
| Stock of feedstuff (31/3/2010) | | |

5. Debt Servicing is:

(i) Repaying all the money borrowed by the government

☐

(ii) Repaying the interest on the National Debt

☐

(iii) Repaying the National Debt

☐

Tick (✓) the most appropriate box.

6. On 14 June 2010, M. Dunne, a bookshop owner, sold equipment for €1,500 cash.

Complete the ledger accounts of M. Dunne showing the names of the accounts and the relevant details, numbered (i) to (iv):

(i) _____ A/c

| Dr | | | Cr | | |
|-----------------|---------|-------|------|---------|---|
| Date | Details | € | Date | Details | € |
| 2010 June 14 | (ii) | 1,500 | | | |

(iii) _____ A/c

| Dr | | | Cr | | |
|------|---------|---|-----------------|---------|-------|
| Date | Details | € | Date | Details | € |
| | | | 2010 June 14 | (iv) | 1,500 |

7. **Column 1** is a list of retailers. **Column 2** is a list of statements that can be matched to these retailers. *(One statement does not refer to any of the retailers.)*

| Column 1 – Retailers | Column 2 – Statements |
|----------------------|------------------------------------------------------------------|
| 1. Multiple Shop | A. Shops joining together to compete |
| 2. Supermarket | B. Shop set up with the permission of the owner |
| 3. Mail Order Firm | C. Shop owned by one owner with many branches around the country |
| 4. Voluntary Group | D. Self-service shop which provides a large variety of goods |
| | E. Retail organisation which sells goods through the post |

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

| 1. | 2. | 3. | 4. |
|----|----|----|----|
| | | | |

8. Complete and balance the Creditors Control Account on 31 May 2010 from the following information:

| | |
|------------------------------------|--------|
| | € |
| Creditors balance on 1 May 2010 | 6,700 |
| Total credit purchases for May | 14,200 |
| Total payments to creditors in May | 17,100 |

| Creditors Control Account | | | | | |
|---------------------------|---------|---|------|---------|----|
| Dr | | | | | Cr |
| Date | Details | € | Date | Details | € |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

OR (Alternative Format)

| Creditors Control Account | | | | |
|---------------------------|---------|----|----|---------|
| Date | Details | Dr | Cr | Balance |
| | | € | € | € |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

9. Explain **two** reasons why a Government prepares a National Budget

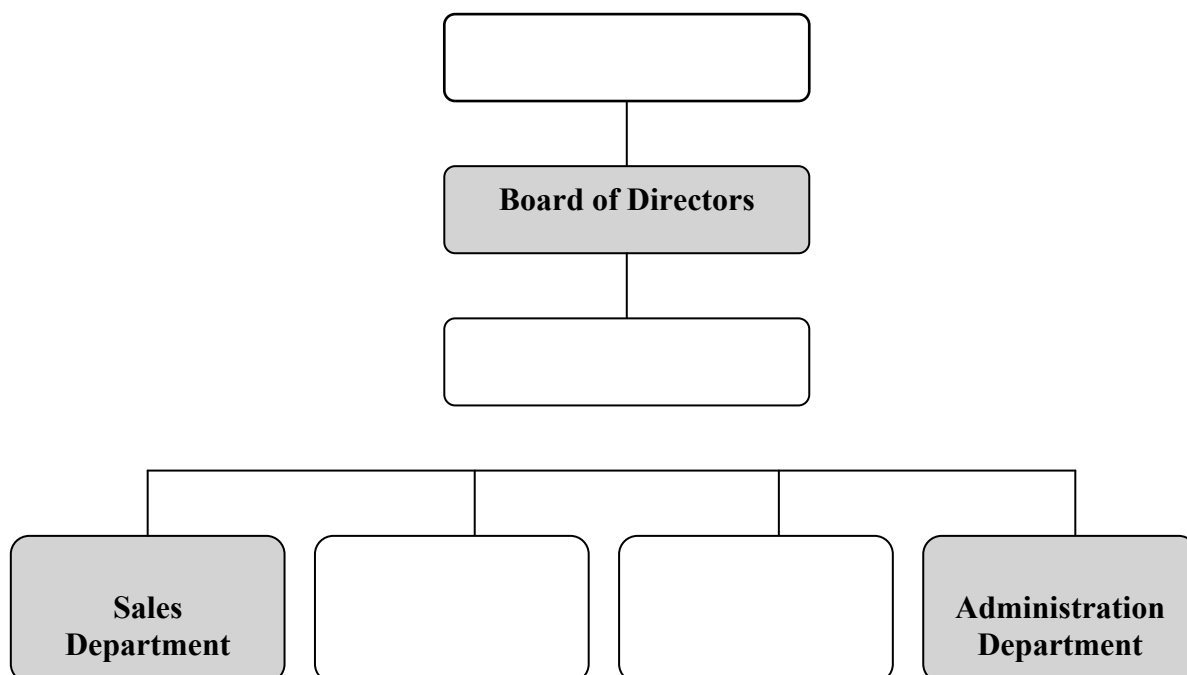
(i) _____

(ii) _____

10. Complete the following extract from an invoice:

| | € |
|----------------------------|---------------|
| Total (excluding VAT) | 400.00 |
| Trade Discount 12½% | |
| Subtotal | |
| VAT 21% | |
| Total (including VAT) | |

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



12. Explain, with an example, the term **Import Substitution**:

13. Identify **two** legal requirements that must be satisfied when opening a bank account:

(i)

(ii)

14. A firm has Current Assets of €78,000 (including Closing Stock of €36,000) and Current Liabilities of €31,500.

Calculate the Acid Test/Quick ratio:
(Show your workings.)

| |
|----------------|
| Answer: |
| <hr/> |

| |
|------------------------------------------|
| Workings: |
| |

15. Enter the following transaction in the Sales Returns Book of Harty Ltd:

On 1 June 2010, Williams Ltd returned goods €2,400 to Harty Ltd (Credit Note No. 48).
The VAT rate on these goods is 21%.

| Harty Ltd – Sales Returns Book | | | | | | |
|--------------------------------|---------|--------|---|-------|-------|---------|
| Date | Details | CN No. | F | Net € | VAT € | Total € |
| | | | | | | |

16. Outline **two** rights of an employee.

- (i) _____

- (ii) _____

17. Enter the following balances in the partially completed General Journal of Crowe Ltd:

| | | |
|----------------|------------------------|----------|
| 1 January 2010 | Debtors | €54,000 |
| | Bank Overdraft | €25,500 |
| | Ordinary Share Capital | €633,500 |

| Crowe Ltd – General Journal | | | | |
|-----------------------------|------------------------------------------------------------------|-----|---------|----|
| Date | Details | F | Dr | Cr |
| | | | € | € |
| | Premises | GL1 | 605,000 | |
| | Debtors | DL1 | | |
| | Bank Overdraft | CB1 | | |
| | Ordinary Share Capital | GL2 | | |
| | Assets, Liabilities and Share Capital of Crowe Ltd on this date. | | | |

18. Explain the following terms used in Insurance.

(i) Proposal Form

(ii) Policy

19. Select the correct words from the following list to complete the table below.

| | | | |
|----------------------|-----------------------|----------------|-----------------------|
| Hire Purchase | Long Term Loan | Leasing | Bank Overdraft |
|----------------------|-----------------------|----------------|-----------------------|

(Part (i) has already been completed as an example).

| Business Need | | Source of Finance |
|----------------------|----------------|--------------------------|
| (i) | New Van | Hire Purchase |
| (ii) | New Computer | |
| (iii) | New Stationery | |
| (iv) | New Warehouse | |

20. Explain the term **Limited Liability**:

PLEASE REMEMBER TO RETURN THIS SECTION ‘A’ WITH YOUR ANSWER BOOK