

**Q.1 This is a Books of First Entry, Ledger and Trial Balance Question**

PURCHASES BOOK of GOLD Ltd							Marks
Date 2016	DETAILS	INVOICE (1)	F	NET €	VAT €	TOTAL €	
01/05	HAND Ltd	6	CL	60,000	13,800	73,800	$\frac{1}{2} + \frac{1}{2} + \frac{1}{2}$
23/05	HAND Ltd	17	CL	16,000	3,680	19,680	$\frac{1}{2} + \frac{1}{2} + \frac{1}{2}$
				76,000	17,480	93,480	3 + 1 = <b>(4)</b>

SALES BOOK of GOLD Ltd							Marks
Date 2016	DETAILS	INVOICE (1)	F	NET €	VAT €	TOTAL €	
12/05	SUM Ltd	94	DL	48,000	11,040	59,040	$\frac{1}{2} + \frac{1}{2} + \frac{1}{2}$
							$1\frac{1}{2} + 1$ <b>(2½)</b>

ANALYSED CASH BOOK of GOLD Ltd (Debit Side)								Marks
Date 2016	Details	Receipt (1)	F	Total Bank €	Sales €	VAT €	Share Capital €	
06/05	Share Capital	1	GL	110,000			110,000	$\frac{1}{2} + \frac{1}{2}$
10/05	Sales		GL	55,350	45,000	10,350		$\frac{1}{2} + \frac{1}{2} + \frac{1}{2}$
				165,350	45,000	10,350	110,000	
	Balance c/d			52,610				$2\frac{1}{2} + 1$
								<b>(3½)</b>

ANALYSED CASH BOOK of GOLD Ltd (Credit Side)									Marks
Date 2016	Details	Ch. No (1)	F	Total Bank €	Purchases €	VAT €	Insurance €	Creditors €	
16/05	HAND Ltd	20	CL	54,000				54,000	$\frac{1}{2} + \frac{1}{2}$
27/05	Purchases	21	GL	46,740	38,000	8,740			$\frac{1}{2} + \frac{1}{2} + \frac{1}{2}$
31/05	Insurance	22	GL	12,000			12,000		$\frac{1}{2} + \frac{1}{2}$
				112,740	38,000	8,740	12,000	54,000	
	Balance c/d			52,610					1
				165,350					$3\frac{1}{2} + 1 + 1$
									<b>(5½)</b>

## Q.1 contd.

Date	Details	F	Total Bank	Date	Details	F	Total Bank	Marks
2016			€	2016			€	
<b>GENERAL JOURNAL</b>								
			<b>Share Capital A/C</b>					<b>[1]</b>
				06/05	Bank	ACB	110,000	1
			<b>Sales A/C</b>					<b>[2]</b>
				31/05	Total Net Debtors	SB	48,000	1
				31/05	Bank	ACB	45,000	1
							93,000	
			<b>Insurance A/C</b>					<b>[1]</b>
31/05	Bank	ACB	12,000					1
			<b>Purchases A/C</b>					<b>[2]</b>
31/05	Total Net Creditors	PB	76,000					1
31/05	Bank	ACB	38,000					1
			114,000					
			<b>VAT A/C</b>					<b>[5]</b>
31/05	Cash Purchases	ACB	8,740	31/05	Cash Sales	ACB	10,350	1 + 1
31/05	Credit Purchases	PB	17,480	31/05	Credit Sales	SB	11,040	1 + 1
				31/05	Balance c/d		4,830	1
			26,220				35,190	
01/06	Balance b/d		4,830					
<b>DEBTORS LEDGER</b>								
			<b>SUM A/C</b>					<b>[1]</b>
12/05	Sales	DL	59,040					1
<b>CREDITORS LEDGER</b>								
			<b>HAND A/C</b>					<b>[4]</b>
16/05	Bank	ACB	54,000	01/05	Purchases	PB	73,800	1 + 1
31/05	Balance c/d		39,480	23/05	Purchases	PB	19,680	1 + 1
			93,480				93,480	
				01/06	Balance b/d		39,480	<b>[16]</b>

Trial Balance of GOLD Ltd as at 31/05/2016			Marks
	Dr	Cr	
	€	€	
Share Capital		110,000	½
Sales		93,000	½
HAND Ltd		39,480	½
Bank	52,610		½
SUM Ltd	59,040		½
Purchases	114,000		½
VAT	4,830		½
Insurance	12,000		½
	242,480	242,480	<b>(4)</b>

#### Marks Summary

<b>Purchases Book</b>	<b>4</b>
<b>Sales Book</b>	<b>2½</b>
<b>ACB</b>	<b>9</b>
<b>Ledger</b>	<b>16</b>
<b>Trial Balance</b>	<b>4</b>
<b>Dates</b>	<b>2½</b>
<b>Folio</b>	<b>2</b>
<b>Total</b>	<b>40</b>

**Q.2 This is a Credit Sales, Business Documents and Bookkeeping Question.**

**Q.2 (A) (i)**

		Marks
1	Check that the name and address of the customer is correct.	2
2	File a copy of the quotation.	2

**Q.2 (A) (ii)**

FOOTWEAR Ltd, Castlebar, Co. Mayo		INVOICE No. 37		Marks	
Telephone: 094 264691		VAT Reg. No. IE 8799654			
To: Mr Maurice O’Keeffe, Purchasing Manager		Date: 30/4/2016 Your Order No: 56		1 + 1	
BUSYFEET Ltd					
Donegal Street					
Sligo					
1	1	1	1	(4)	
QUANTITY	DESCRIPTION	PRICE EACH €	TOTAL €		
60	Blue Trainers	70	4,200		
50	Leisure walking shoes	120	6,000		
40	Crock beach shoes	20	800		
Total (Excluding VAT)			11,000	1	
			Trade Discount	3,300	1
			Subtotal	7,700	
			VAT	1,771	1
E & OE	Total (Including VAT)		9,471	1	
Bonus 1 for having only 3 items in the invoice			11 (10 + 1)		

**Q.2 (B) (i)**

		Marks
<b>Advice</b>	Check the goods when they receive them from the supplier.	4
	Pack the goods properly before sending them out.	2

**Q.2 (B) (ii)**

<b>Amount of Refund</b>	<b>Workings:</b> Cost less Trade Discount plus VAT €800 - €240 (30% of €800) = €560 + €128.8 (23% of 560) = €688.80	<b>Marks</b>
€688.80		12

**Q.2 (B) (iii)****Sales Returns Book of FOOTWEAR Ltd**

Date 2016	Details	Credit Note No.	F	Net €	VAT €	Total €	Marks
07/05	BUSYFEET Ltd	12	DL	560	128.8	688.80	
1	1	1	1	1	1	1	[7]

**Q.2 Marks Summary**

<b>A</b>	<b>15</b>
<b>B</b>	<b>25</b>
<b>Total</b>	<b>40</b>

**Q.3 This is a Cost of Delivery and Setting up Regional Branches Question.**

**(A) Cost of Transport for one day**

Section	Answer	Marks
(i) <b>Total cost of Labour</b> (including meal allowances)*for one day	<b>€302.88</b>	10
(ii) <b>Total cost of Diesel</b> for one day	<b>€28.28</b>	6
(iii) <b>Total cost of motor</b> insurance/tax and motor repairs for one day	<b>€29.00</b>	6
(iv) <b>Overall cost of transport</b> including toll charge	<b>€402.16</b>	6
<b>Total Marks</b>		28

\* Meal allowances €36 can also be included in the Total Cost heading

**(B) (i) Two advantages of setting up regional depots**

	Advantages	Marks
1	Regional depots will be nearer to customers.	3
2	Less cost of delivery to customers.	3

**(ii) Two disadvantages of setting up regional depots**

	Disadvantages	Marks
1	More security will be required.	3
2	Insurance will increase as there will be four buildings.	3

**Marks Summary**

<b>A</b>	<b>28</b>
<b>B</b>	<b>12</b>
<b>Total</b>	<b>40</b>

**Q.4 This is a Final Accounts and Balance Sheet Question.**

**(A)**

1½		1	1½		
Trading, Profit and Loss Appropriation Account		of ELEC Ltd		for year ending 31/12/2015	
		€	€	€	Marks
	Sales			318,000	½
	<b>Less Cost of Sales</b>				
01/01/2015	Opening Stock		10,200		½
	Purchases		165,000		½
	Import Duty		11,000		½
			186,200		<b>0</b>
31/12/2015	Less Closing Stock		11,500	174,700	½ + <b>0</b>
	<b>GROSS PROFIT</b>			<b>143,300</b>	<b>2 (1 + 1)</b>
	Add Gains				
	Rent Receivable		17,000		½
	Less Rent receivable prepaid		2,100	14,900	1 (½ + ½)
				158,200	<b>0</b>
	<b>Less Expenses</b>				
	Carriage Outwards		7,600		½
	Light and Heat	14,000			½
	Add Light and Heat due	2,500	16,500		1 (½ + ½)
	Wages	60,000			½
	Add Wages due	3,000	63,000		1 (½ + ½)
	Depreciation: Motor Vans	21,600			½
	Equipment	22,000	43,600	130,700	1 (½ + ½ + <b>0</b> )
	<b>NET PROFIT</b>			<b>27,500</b>	<b>3 (1 + 2)</b>
	Less Dividends paid			8,100	½
				19,400	<b>0</b>
	Add Opening Reserves			16,000	1
	<b>Reserves</b>			<b>35,400</b>	<b>0</b>
					<b>[19½]</b>

½	1	½		
Balance Sheet of ELEC Ltd as at 31/12/2015				
Fixed Assets	Cost €	Depreciation €	NBV €	Marks
Motor Vans	180,000	21,600	158,400	½ + ½ + ½
Equipment	220,000	22,000	198,000	½ + ½ + ½
Total Fixed Assets	400,000	43,600	356,400	½ + ½ + ½
Current Assets				
Closing Stock	11,500			½
Debtors	34,000			½
Cash	6,000	51,500		½ + 0
Less Current Liabilities				
Creditors	30,500			½
Bank Overdraft	12,400			½
Rent receivable prepaid	2,100			½
Wages due	3,000			½
Light and Heat due	2,500	50,500		½
Working Capital			1,000	0
Total Net Assets			357,400	½
Financed by	Authorised	Issued		
400,000 €1 ordinary shares	400,000	270,000		1 + 1
Add Reserves		35,400		½
Long Term Liabilities				
25 year loan		52,000		½
Capital Employed			357,400	½
				[14½]

**(B)**

$\frac{\text{Dividends Paid}}{\text{Issued Share Capital}} \times \frac{100}{1}$	$\frac{€8,100}{€270,000} \times \frac{100}{1}$	<b>3%</b>	<b>Mark 5</b>
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	<b>Marks Summary</b>		
<b>(A)</b>	Trading, Profit and Loss Appropriation A/C	19½	
	Balance Sheet	14½	
	Presentation	1	<b>35</b>
<b>(B)</b>			<b>5</b>
<b>Total</b>			<b>40</b>



**Q.5 This is an Analysed Cash Book and Monitoring of Overheads.**

**(A)**

<b>Analysed Cash Book of HOGAN CATERING Ltd (Debit Side)</b>					
<b>Date 2016</b>	<b>Details</b>	<b>Receipt No.</b>	<b>F</b>	<b>Total Bank €</b>	<b>Marks</b>
01/05	Balance b/d	1		3,000	1
12/05	Bane Ltd		DL	3,900	½
22/05	Kelly Ltd	2	DL	3,700	½
				10,600	
31/05	Balance c/d			3,400	2
		(1)		14,000	<b>[5]</b>

<b>Analysed Cash Book of HOGAN CATERING Ltd (Credit Side)</b>									
<b>Date 2016</b>	<b>Details</b>	<b>Payment Method</b>	<b>F</b>	<b>Total Bank €</b>	<b>Van €</b>	<b>Wages €</b>	<b>Ingredients €</b>	<b>Waste Collection €</b>	<b>Marks</b>
02/05	Ingredients	Visa Debit	GL	3,400			3,400		½ + ½
03/05	Wages	Paypath	GL	1,700		1,700			½ + ½
07/05	Diesel	Visa Debit	GL	600	600				½ + ½
10/05	Waste collection	Visa Debit	GL	450				450	½ + ½
12/05	Van Insurance	Visa Debit	GL	1,100	1,100				½ + ½
14/05	Diesel	Visa Debit	GL	500	500				½ + ½
17/05	Wages	Paypath	GL	1,300		1,300			½ + ½
20/05	Ingredients	Visa Debit	GL	2,800			2,800		½ + ½
25/05	Waste Collection	Visa Debit	GL	700				700	½ + ½
31/05	Wages	Paypath	GL	1,450		1,450			½ + ½
				14,000	2,200	4,450	6,200	1,150	
01/06	Balance b/d			3,400					<b>[11]</b>

**ACB 18 (16 + Dates 1 + Folios 1)**

**Q.5 contd.****For use with Q.5 (B) (i)****Business Overheads for May 2016**

<b>Overheads</b>	<b>Budgeted €</b>	<b>Actual €</b>	<b>Difference €</b>	<b>Marks</b>
<b>Van</b>	<b>2,300</b>	<i>2,200</i>	(100)	1
<b>Wages</b>	<b>5,000</b>	<i>4,450</i>	(550)	1
<b>Ingredients</b>	<b>5,500</b>	<i>6,200</i>	700	1
<b>Waste Collection</b>	<b>700</b>	<i>1,150</i>	450	1
				<b>[4]</b>

**For use with Q.5 (B) (ii)**

<b>Actual Overheads Greater than Budgeted</b>	<b>Possible Reasons</b>	<b>Marks</b>
<b>Ingredients</b>	Increased sales.	1 + 2
<b>Waste Collection</b>	Increase in price of waste collection.	1 + 2
		<b>[6]</b>

**For use with Q.5 (B) (iii)**

<b>Actual Overheads Less than Budgeted</b>	<b>Possible Reasons</b>	<b>Marks</b>
<b>Van</b>	Incorrect figure in budget.	1 + 2
<b>Wages</b>	Reduction in overtime.	1 + 2
		<b>[6]</b>

**For use with Q.5 (C)**

		<b>Marks</b>
<b>Reason 1</b>	To allow comparison between actual and budgeted overheads.	2
<b>Reason 2</b>	To ensure that a business lives within its means.	2
<b>Reason 3</b>	To identify the main overheads so changes can be made if needed.	2

<b>Summary</b>	<b>Marks</b>
<b>(A)</b>	<b>18</b>
<b>(B)</b>	<b>16</b>
<b>(C)</b>	<b>6</b>
<b>Total</b>	<b>40</b>

**Q.6 Forms of Ownership, Bad Debts and Sales Promotion.**

**(A)**

	<b>Two ways of promoting the houses to tenants</b>	<b>Marks</b>
1	Create a website giving details of the houses.	4
2	Use local papers classified advertisements.	4

**(B)**

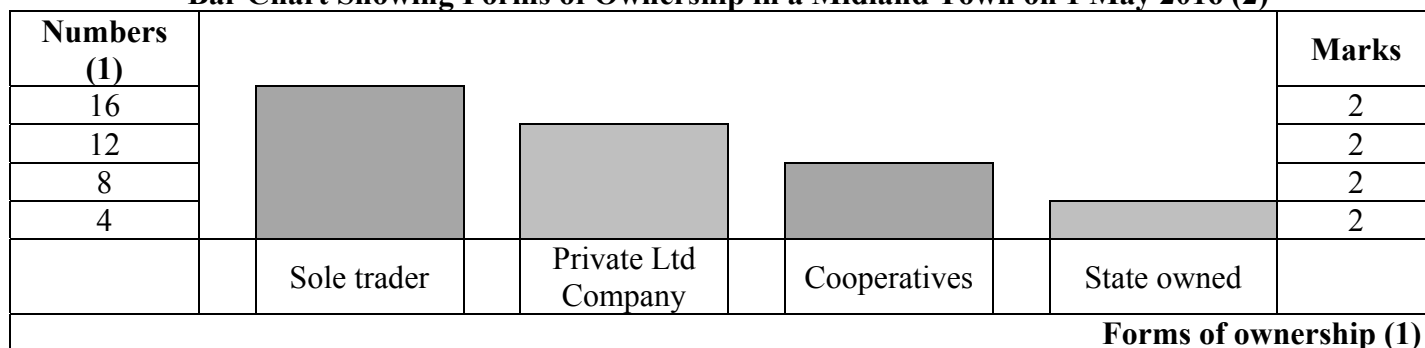
What is a cooperative?	<b>Marks</b>
A co-operative is a business owned and managed by its members for the members' benefits. Each member has one vote regardless of the amount they invest in the co-operative. <b>Two</b> examples: Credit Union and Farmers Co-op	4 2 + 2

**(C)**

<b>Comparison Headings</b>	<b>Sole Trader</b>	<b>Private Limited Company</b>	<b>Marks</b>
Ownership	1	1 to 149	2 + 2
Liability	Owner has unlimited liability.	Shareholders have limited liability.	2 + 2
Profits	Owner can take all the profit.	The profits are shared between the shareholders.	2 + 2

**(D)**

**Bar Chart Showing Forms of Ownership in a Midland Town on 1 May 2016 (2)**



<b>Summary</b>	<b>Marks</b>
<b>(A)</b>	<b>8</b>
<b>(B)</b>	<b>8</b>
<b>(C)</b>	<b>12</b>
<b>(D)</b>	<b>12</b>
<b>Total</b>	<b>40</b>