

# SECTION A

(80 marks)

Answer all 20 questions. Each question carries 4 marks.

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

A/C	
Cr	
GL	

2. Identify **one** example of a Statutory Deduction and **one** example of a Voluntary Deduction from an employee's wages.

STATUTORY DEDUCTION	
VOLUNTARY DEDUCTION	

3. Complete the following Trading Account by filling in the **three** unshaded areas, numbered (i) to (iii):

Trading Account for year ending 31/12/2013			
Sales	€	€	€
Stock (01/01/13)		(ii)	480,000
(i)	346,000		
Carriage Inwards	4,000	350,000	
Stock (31/12/13)		390,000	
		60,000	330,000
(iii)			150,000

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

**Gross Profit €120,000**

**Cost of Sales €480,000**

Gross Profit Percentage is calculated as follows:

$$\frac{\text{Gross Profit}}{\text{Sales}} \times \frac{100}{1}$$

Using the above figures, calculate the Gross Profit Percentage.  
Show your workings.

<b>Answer:</b>
%

Workings:

5. Explain the term 'Mixed Economic System'.

---



---



---



---

6. On 8 June 2014, D. Kelly, a restaurant owner, sold equipment for €3,300 cash.

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

Dr			(i) _____ A/c	Cr		
Date	Details	€		Date	Details	€
2014 June 8	(ii)	3,300				

Dr			(iii) _____ A/c	Cr		
Date	Details	€		Date	Details	€
				2014 June 8	(iv)	3,300

7. Complete **and** balance the Debtors Control Account on 31 May 2014 from the following information:

	€
Debtors balance on 1 May 2014	2,100
Total credit sales for May	8,500
Total cash received from debtors in May	9,120

Debtors Control Account					
Dr					Cr
Date	Details	€	Date	Details	€

**OR (Alternative Format)**

Debtors Control Account				
Date	Details	Dr	Cr	Balance
		€	€	€

8. Explain the term 'Market Research'.

---



---



---



---

9. Tick (✓) the appropriate columns to indicate where in the final accounts the following items should be entered on 31/12/2013:

	Trading A/C	Profit & Loss A/C	Balance Sheet
Creditors			
Import Duties			
Motor Vehicles Depreciation			

10. Outline **two** ways a business could check the credit worthiness of a new customer.

(i) \_\_\_\_\_

\_\_\_\_\_

(ii) \_\_\_\_\_

\_\_\_\_\_

11. Enter the following balances in the partially completed General Journal of Nelson Ltd:

1 January 2014	Buildings	€370,600
	Debtors	€8,800
	Ordinary Share Capital	€377,300

Nelson Ltd – General Journal				
Date	Details	F	Dr	Cr
			€	€
	Bank Overdraft	CB <sub>1</sub>		2,100
	Buildings	GL <sub>1</sub>		
	Debtors	DL <sub>1</sub>		
	Ordinary Share Capital	GL <sub>2</sub>		
	<i>Assets, Liabilities and Share Capital of Nelson Ltd on this date.</i>			

12. (i) Calculate the unit price for **each** of the following boxes of cereal:

SIZE	PRICE	WEIGHT	UNIT PRICE
SMALL	€1.74	280 g	
MEDIUM	€4.47	750 g	
LARGE	€5.80	1 kg	

Workings:

- (ii) Which size represents the best value for money?

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

- (i) \_\_\_\_\_  
 \_\_\_\_\_
- (ii) \_\_\_\_\_  
 \_\_\_\_\_

14. A company van travels 684 kilometres to deliver goods.

Their diesel van can do 38 kilometres per litre. The cost of diesel is €1.46 per litre.

Calculate the cost of diesel to deliver these goods.

Show your workings.

<b>Answer:</b>
€

Workings:

15. (i) What do the initials **GNP** stand for?

- (ii) GNP in 2012 was €1,100 million. In 2013, it was €1,122 million.

Calculate the rate of economic growth from 2012 to 2013:  
(Show your workings.)

<b>Answer:</b>

Workings:

16. Tick (✓) the correct columns to indicate whether the following sources of finance are short term, medium term or long term.

Source of Finance	Short Term	Medium Term	Long Term
Leasing			
Bank overdraft			
Mortgage			

17. Complete the Profit & Loss Appropriation Account by filling in the **two** unshaded areas, numbered **(i)** and **(ii)**, from the following information:

Profit & Loss Appropriation Accounts for years 2012-2013		
	2012	2013
Opening Reserves Balance	(15,000)	(i)
Add Annual Transfer to Reserves	5,000	6,000
Closing Reserves Balance	(10,000)	(ii)

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

Column 1 – Insurance Terms	Column 2 – Statements
1. Actuary	A. Cannot make a profit from insurance
2. Indemnity	B. Calculates the amount of compensation
3. Principle of Contribution	C. Calculates the amount of premium
	D. Applies in the case where there are two or more insurers

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 Sales Returns Book of Macy Ltd:

On 9 May 2014, Dolly Ltd returned goods €5,200 to Macy Ltd (Credit Note No. 5).  
The VAT rate on these goods is 23%.

Macy Ltd – Sales Returns Book						
Date	Details	CN No.	F	Net €	VAT €	Total €

20. Explain the term 'Entrepreneur'.

---



---



---



---