

**ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΠΟΛΙΤΙΣΜΟΥ
ΔΙΕΥΘΥΝΣΗ ΑΝΩΤΕΡΗΣ ΚΑΙ ΑΝΩΤΑΤΗΣ ΕΚΠΑΙΔΕΥΣΗΣ
ΥΠΗΡΕΣΙΑ ΕΞΕΤΑΣΕΩΝ**

ΠΑΓΚΥΠΡΙΕΣ ΕΞΕΤΑΣΕΙΣ 2017

ΜΑΘΗΜΑ: ΛΟΓΙΣΤΙΚΗ

**ΗΜΕΡΟΜΗΝΙΑ ΚΑΙ ΩΡΑ ΕΞΕΤΑΣΗΣ: Πέμπτη, 1 Ιουνίου 2017
08:00 - 11:00**

ΠΡΟΤΕΙΝΟΜΕΝΕΣ ΛΥΣΕΙΣ ΔΩΔΕΚΑ (12) ΣΕΛΙΔΕΣ

QUESTION 1

Exercise 1

a. Revaluation A/c

	€		€
Office equipment (40.000-38.200)	1.800	Premises (330.000-300.000)	30.000
Stock (26.000-25.200)	800	Goodwill	30.000
Profit on Revaluation			
Capital X (3/5 X 57.400) 34.440			
Capital Y (2/5 X 57.400) 22.960	57.400		
	<u>60.000</u>		<u>60.000</u>

(Marks 3)

b. Partners' Capital A/cs

	Xenia	Yianna	Zoe		Xenia	Yianna	Zoe
	€	€	€		€	€	€
Goodwill (3:2:1)	15.000	10.000	5.000	Balance b/d	258.000	160.000	-----
Balance c/d	277.440	172.960	75.000	Stock	-----	-----	20.000
				Motor Vehicles	-----	-----	18.000
				Cash/Bank	-----	-----	42.000
				Profit on Reval.	34.440	22.960	
	<u>292.440</u>	<u>182.960</u>	<u>80.000</u>		<u>292.440</u>	<u>182.960</u>	<u>80.000</u>
				Balance b/d	277.440	172.960	75.000

(Marks 4)

**Xenia, Yianna, Zoe
Balance Sheet as at 1 April 2017**

c.

	€	€		€	€
Fixed Assets			Partners' Capital A/cs		
Premises	330.000		Xenia	277.440	
Office Equipment	38.200		Yianna	172.960	
Fixtures & Fittings	30.000		Zoe	75.000	525.400
Motor Vehicles	18.000	416.200			
			Current Liabilities		
Current Assets			Creditors		30.000
Stock (25.200+20.000)	45.200				
Debtors	34.000				
Bank (18.000+42.000)	60.000	139.200			
		<u>555.400</u>			<u>555.400</u>

(Marks 6)

or

Revaluation A/c

	€		€
Office equipment	1.800	Premises	30.000
Stock	800		
Profit on Revaluation			
Capital X (3/5 X 27.400)	16.440		
Capital Y (2/5 X 27.400)	10.960	27.400	
	30.000		30.000

Partners' Capital A/cs

	Xenia	Yianna	Zoe		Xenia	Yianna	Zoe
	€	€	€		€	€	€
Goodwill	15.000	10.000	5.000	Balance b/d	258.000	160.000	-----
Balance c/d	277.440	172.960	75.000	Stock	-----	-----	20.000
				Motor Vehicles	-----	-----	18.000
				Cash/Bank	-----	-----	42.000
				Goodwill adj. (3:2)	18.000	12.000	
				Profit on Reval.	16.440	10.960	
	292.440	182.960	80.000		292.440	182.960	80.000
				Balance b/d	277.440	172.960	75.000

**Xenia, Yianna, Zoe
Balance Sheet as at 1 April 2017**

	€	€
Fixed Assets		
Premises		330.000
Office Equipment		38.200
Fixtures & Fittings		30.000
Motor Vehicles		18.000
		416.200
Current Assets		
Stock (25.200+20.000)	45.200	
Debtors	34.000	
Bank (18.000+42.000)	60.000	
	139.200	
Current Liabilities		
Creditors	(30.000)	109.200
		525.400
Capital A/cs		
Xenia	277.440	
Yianna	172.960	
Zoe	75.000	525.400

QUESTION 1

Exercise 2 a.

Office Computer A/c

2016		€	2016		€
Jan 1	Balance b/d	40.000	Jun 30	Disposal	12.000
Oct 1	Bank	16.000	Dec 31	Balance c/d	44.000
		<u>56.000</u>			<u>56.000</u>
2017					
Jan 1	Balance b/d	44.000			

(Marks 2)

b. Office Computer-Provision for Depreciation A/c

2016		€	2016		€
Jun 30	Disposal (W.3)	6.000	Jan 1	Balance b/d (w1)	16.000
Dec 31	Balance c/d	17.600	Dec 31	P/L or Depn (w.2)	7.600
		<u>23.600</u>			<u>23.600</u>
			2017		
			Jan 1	Balance b/d	17.600

(Marks 3)

c. Disposal A/c

2016		€	2016		€
Jun 30	Office computer	12.000	Jun 30	Bank	5.000
			Jun 30	PFD	6.000
			Dec 31	Loss on disposal/P&L	1.000
		<u>12.000</u>			<u>12.000</u>

(Marks 2)

Workings:

- Provision for Depn 1.1. 2016
 $40.000 \times 20\% \times 2 \text{ years} = \mathbf{16.000}$
- Depreciation expense for 2016
 Old: $(40.000 - 12.000) \times 20\% = 5.600$
 New: $16.000 \times 20\% \times 3/12 = 800$
 Disposed: $12.000 \times 20\% \times 6/12 = \mathbf{1.200}$
7.600
- Provision for Depn on asset disposed
 $12.000 \times 20\% \times 30/12 = \mathbf{6.000}$

(Total Marks 20)

Question 2

a.

$$i. \text{ Quick Assets Ratio} = \frac{\text{Current Assets} - \text{Stock}}{\text{Current Liabilities}} = \frac{14.900 + 17.700}{(17.400 + 6.000 + 2.100)}$$

Quick Assets Ratio = 1,28:1

(Marks 2)

$$ii. \text{ Gross Profit} = \frac{\text{Gross Profit}}{\text{Sales}} \times 100 \quad \text{Gross Profit} = \frac{\text{Gross Profit}}{(\text{Cost of Sales} + \text{GP})} \times 100$$

$$\text{Gross Profit} = \frac{115.800}{(127.200 + 115.800)} \times 100 \quad \text{Gross Profit} = \frac{115.800}{243.000} \times 100$$

Gross Profit = 47,65%

(Marks 2)

$$iii. \text{ Net Assets Value of Shares} = \frac{\text{Ordinary Share Capital} + \text{Reserves}}{\text{No of Ordinary Shares}}$$

$$\text{Net Assets Value of Shares} = \frac{1.000.000 + 312.000*}{500\,000} = \frac{1.312.000}{500\,000}$$

Net Assets Value of Shares = €2,62 per share

*Reserves = Share Premium + General Reserve + Profit and Loss

$$\text{Reserves} = 20.000 + 12.000 + 280.000$$

(Marks 2)

$$iv. \text{ Debtors Ratio} = \frac{\text{Debtors}}{\text{Credit Sales}} \times 365 \quad \text{Debtors Ratio} = \frac{14.900}{194.400*} \times 365$$

Debtors Ratio = 28 days

*243.000 X 80%

(Marks 2)

QUESTION 2

b.

(Marks 4)

Application and Allotment A/c

2016		€	2016		€
	Ordinary Share Capital (200 000X€1,10)	220.000		Bank (290 000X€0,50)	145.000
	Share Premium (200 000X€0,40)	80.000		Bank (200 000X€1) – (50 000X€0,50)	175.000
	Bank (40 000X€0,50)	20.000			
		320.000			320.000

ii.

Ordinary Share Capital A/c

2016		€	2016		€
Dec 31	Balance c/d	1.400.000	Jan 1	Balance b/d	1.000.000
				Appl & Allotment	220.000
				First Call (200 000X€0,60)	120.000
				Second & Final Call (200 000X€0,30)	60.000
		1.400.000			1.400.000
			2017		
			Jan 1	Balance b/d	1.400.000

(Marks 3)

iii.

Share Premium A/c

2016		€	2016		€
Dec 31	Balance c/d	100.000	Jan 1	Balance b/d	20.000
				Appl & Allotment	80.000
		100.000			100.000
			2017		
			Jan 1	Balance b/d	100.000

(Marks 1)

iv.

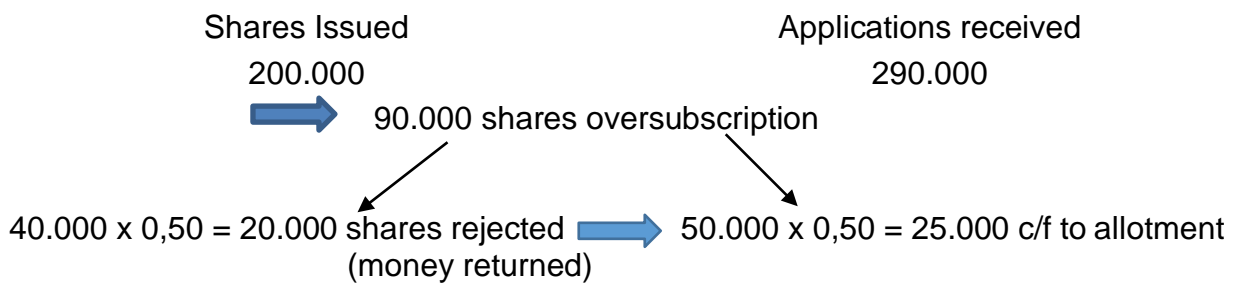
Second and Final Call A/c

2016		€	2016		€
	Ordinary Share Capital	60.000		Calls in advance (4 000X€0,30)	1.200
				Bank (200 000X€0,30) - €1.200 - €900	57.900
				Calls in arrear (3 000X€0,30)	900
		60.000			60.000

(Marks 4)

Workings:

$290.000 \times 0,50 = 145.000$	Applications money received
$200.000 \times 0,50 = 100.000$	Application
$200.000 \times 0,60 = 120.000$	Allotment
$200.000 \times 0,60 = 120.000$	First Call
$200.000 \times 0,30 = 60.000$	Second and Final Call
$200.000 \times 0,40 = 80.000$	Share Premium
$3.000 \times 0,60 = 1.800$	Calls in arrear First Call
$3.000 \times 0,30 = 900$	Calls in arrear Second and Final Call
$4.000 \times 0,30 = 1.200$	Calls in advance



(Total Marks 20)

QUESTION 3

Alpha Ltd

a. Manufacturing Account for the year ended 31 December 2016

Raw materials:	€	€
Opening stock	62.000	
Purchases	179.000	
Carriage inwards (1.500x80%)	1.200	
	242.200	
Less: closing stock	(62.800)	
Cost of raw materials consumed	179.400	
Add Manufacturing wages	76.700	
PRIME COST		256.100
Add Factory overheads:		
Supervisor salary	14.000	
Depreciation of factory machinery	11.400	
Rent (8.000-1000)X50%	3.500	
Light and heat (4.300+700)x50%	2.500	31.400
Add: Opening work in progress	17.000	
Less: Closing work in progress	(15.100)	1.900
PRODUCTION COST		289.400

(Marks 12)

b. Trading and Profit and Loss A/c for the year ended 31 December 2016

	€	€	€
Sales			461.000
Less Cost of sales:			
Opening stock of finished goods		16.280	
Production cost		289.400	
Purchases of finished goods	30.800		
Add Carriage inwards (1.500X20%)	300	31.100	
		336.780	
Less Closing Stock of finished goods		(16.500)	320.280
Gross profit			140.720
Less expenses			
Administrative and sales wages		25.900	
Rent (8.000-1.000)X50%		3.500	
Light and heat (4.300+700)X50%		2.500	
Depreciation of office equipment		7.600	
Loss on sale of office equipment		400	(39.900)
Net Profit			100.820

(Marks 8)
(Total Marks 20)

QUESTION 4

a

Massimo Plc
Profit and Loss Appropriation Account for the year ended 31 December 2016

	€	€	€
Net Profit			308.400
Add Investment Income (100.000X6%X3/12)			1.500
			309.900
Corporation Tax (309.900X10%)			(30.990)
Net Profit after tax			278.910
Interim dividends:			
Ordinary shares	8.000		
Preference shares	6.400	14.400	
Proposed dividends:			
Ordinary shares [(800.000 ÷ 2) x 0,05]	20.000		
Preference shares (160.000 x 8%) – 6.400	6.400	26.400	
Transfer to General Reserve		30.000	
Goodwill written off		70.000	(140.800)
Retained profit for the year			138.110
Retained profit b/f			167.000
Retained profit c/f			305.110

(Marks 7)

b. Balance Sheet at 31 December 2016

	€	€	€
Fixed Assets	Cost	Depn to Date	Net Book Value
Intangible Assets			
Goodwill	170.000	70.000	100.000
Tangible Assets			
Freehold Premises	1.060.000	-	1.060.000
Office Equipment	140.000	84.000	56.000
Motor Vehicles	400.000	325.000	75.000
	1.600.000	409.000	
6% Investment			100.000
			1.391.000
Current Assets			
Stock		180.000	
Debtors	120.000		
Less Provision for bad debts	2.400	117.600	
Investment Income due		1.500	
		299.100	
Less Current Liabilities			
Creditors	90.000		
Debenture Interest due	4.000		
Corporation Tax	30.990		
Proposed ordinary dividend	20.000		
Proposed preference dividend	6.400		
Bank overdraft	13.600	164.990	
Net Current Assets			134.110
Total Assets less Current Liabilities			1.525.110
Capital and Reserves		Authorised	Issued and paid up
Ordinary shares of €2 each		1.000.000	800.000
8% Preference shares of €1 each		200.000	160.000
		1.200.000	960.000
Reserves			
Share premium		60.000	
General Reserve (10.000+30.000)		40.000	
Profit and Loss A/c		305.110	405.110
Long Term Liabilities			
5% Debentures			160.000
Capital Employed			1.525.110

(Marks 13)
(Total Marks 20)

QUESTION 5

1.

Books of Red and Green

a.

Realization A/c

	€		€
Premises	800.000	Creditors	76.000
Furniture and Fittings	30.000	Rainbow Ltd (180 000X5X1.2)+140.000	1.220.000
Motor Vans	40.000		
Stock	150.000		
Debtors	80.000		
Profit on Realization:			
Capital R 196.000X3/5	117.600		
Capital G 196.000X2/5	78.400		
	1.296.000		1.296.000

(Marks 4)

b.

Partners' Capital A/cs

	Red	Green		Red	Green
Current a/c	-----	58.000	Balance b/d	600.000	400.000
Shares in Rainbow Ltd (W1)	648.000	432.000	Current a/c	65.000	-----
Bank	134.600	-----	Realization Profit	117.600	78.400
			Bank	-----	11.600
	782.600	490.000		782.600	490.000

(Marks 4)

c.

Bank A/c

	€		€
Cash	5.000	Balance b/d	22.000
Rainbow Ltd	140.000	Capital - Red	134.600
Capital - Green	11.600		
	156.600		156.600

(Marks 2)

2. BOOKS OF RAINBOW LTD

JOURNAL

Particulars	Dr €	Cr €
Premises	950.000	
Furniture and fittings	18.000	
Motor Vans	25.000	
Stock	160.000	
Debtors	80.000	
Goodwill	67.000	
Provision for Bad Debts		4.000
Creditors		76.000
Vendors (Red and Green)		1.220.000
Vendors (Red and Green)	1.220.000	
Bank		140.000
Ordinary Share Capital (180 000X€5)		900.000
Share premium (180 000X€1)		180.000
Ordinary Shareholders (30 000x€6)	180.000	
Ord. Share capital (30 000x€5)		150.000
Share premium (30 000X€1)		30.000
Bank	180.000	
Ordinary Shareholders (30 000x€6)		180.000
Preliminary expenses	5.000	
Bank		5.000
Share Premium	5.000	
Preliminary expenses		5.000

(Marks 10)

Workings:

FOR THE BOOKS OF VENDORS (Red and Green)

1. Allocation of shares in Rainbow Ltd

	€	
Red (1.080.000x3/5)	= 648.000	{ No need to show premium at this point!
Green (1.080.000x2/5)	= 432.000	
	<u>1.080.000</u>	

2 .Calculation of Purchase Price

	€
Value of Shares issued to partners: 180.000 shares x [€5 + (€5x20%)]	1.080.000
Cash payment to partnership	<u>140.000</u>

1.220.000

(Total Marks 20)

(GRAND TOTAL MARKS 100)