ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΠΟΛΙΤΙΣΜΟΥ
ΔΙΕΥΘΥΝΣΗ ΑΝΩΤΕΡΗΣ ΚΑΙ ΑΝΩΤΑΤΗΣ ΕΚΠΑΙΔΕΥΣΗΣ
ΥΠΗΡΕΣΙΑ ΕΞΕΤΑΣΕΩΝ

ΠΑΓΚΥΠΡΙΕΣ ΕΞΕΤΑΣΕΙΣ 2014

ΜΑΘΗΜΑ: ΛΟΓΙΣΤΙΚΗ

ΗΜΕΡΟΜΗΝΙΑ ΚΑΙ ΩΡΑ ΕΞΕΤΑΣΗΣ: Πέμπτη, 22 Μαΐου 2014
08:00 - 11:00

ΤΟ ΕΞΕΤΑΣΤΙΚΟ ΔΟΚΙΜΙΟ ΑΠΟΤΕΛΕΙΤΑΙ ΑΠΟ ΔΕΚΑ (10) ΣΕΛΙΔΕΣ

<u>ΟΔΗΓΙΕΣ:</u>

- Να απαντήσετε σε όλες τις ερωτήσεις (Answer all questions)
- Όλοι οι υπολογισμοί πρέπει να φαίνονται καθαρά στο τετράδιο σας
- Επιτρέπεται η χρήση μη προγραμματισμένης υπολογιστικής μηχανής
- Δεν επιτρέπεται η χρήση διορθωτικού υγρού
- Επισυνάπτεται Τυπολόγιο Λογιστικών Αριθμοδεικτών τριών (3) σελίδων.

QUESTION 1

Exercise 1

The following details relate to SOKAK Plc for the year ended 31 December 2013:

	€
Cash in Hand and at Bank	23.700
Stock 1 January	60.500
Stock 31 December	58.300
Debtors	14.900
Creditors	17.400
Credit Purchases	125.000
Sales: Cash Credit	50.200 194.800
Sales Returns (Credit Sales)	2.000
Gross Profit	115.800
Corporation tax for the year	15.000
Proposed Dividend: Ordinary Shares 7% Preference Shares	21.000 4.000

REQUIRED:

Calculate the following ratios (in two decimal places)

(a) Gross Profit Ratio (Marks 1)
(b) Working Capital Ratio (Marks 1)
(c) Debtors Ratio in days (Marks 1)
(d) Creditors Ratio in days (Marks 1)
(e) Stock turnover Ratio (Marks 2)

Exercise 2

On 31 December 2011 the Machinery account in the books of GOLD Ltd showed a balance of €144.000. The Provision for depreciation of machinery account on the same date was €42.000.

The following transactions took place during the next two years:

2012:
March 31 GOLD Ltd bought a machine for €20.000 and paid by cheque.

2013:
April 30 GOLD Ltd bought two (2) machines for €21.000 each, on credit from SILVER Ltd.

October 31 GOLD Ltd sold a machine for €3.340 cash. This machine was bought on 30 April 2009 for €17.400.

Depreciation is charged at the rate of 20% per annum using straight line method for each month of ownership.

REQUIRED:
Prepare the following accounts for the years ended 31 December 2012 and 2013 as they would appear in the ledger of GOLD Ltd:

(a) Machinery account (Marks 6)

(b) Provision for depreciation of machinery account (Marks 6)

(c) Disposal of machinery account. (Marks 2)

(Total Marks 20)

QUESTION 2

Flora and **Nora** are in partnership, sharing profits and losses 3:2 respectively. They decided to convert their partnership into a public company, **LIMA Plc**. The Balance Sheet on 30 April 2013 was as follows:

Balance Sheet as at 30 April 2013

	€	€		€	€
FIXED ASSETS			**CAPITAL A/Cs:**		
Land and Buildings	332.000		Flora	300.000	
Furniture and Fittings	28.000	360.000	Nora	200.000	500.000
CURRENT ASSETS			**CURRENT A/CS:**		
Stock	178.000		Flora	18.000	
Debtors	30.400		Nora	(6.000)	12.000
Cash	11.600	220.000	**CURRENT LIABILITIES**		
			Creditors		68.000
		580.000			580.000

The Authorised Share Capital of LIMA Plc consists of 1 600 000 ordinary shares of €0.50 each. The company took over all assets (excluding cash) and liabilities of the partnership at the following valuations:

	€	
Land and Buildings	360.000	
Stock	168.000	
Debtors	29.200	(The difference being provision for bad debts €1.200)
Goodwill	32.000	

Furniture and Fittings, Creditors were taken over at book values.

Realisation expenses amounted to €2.000.

The purchase consideration was settled by the issue of 800 000 shares at a premium of 20% and the balance in cash.

In order to raise the necessary funds the company offered for subscription to the public 320 000 shares at a premium of 20% and issued €240.000 7% Debentures in bonds of €10 each at €9,50 per bond. Both issues were subscribed and fully paid up.

Preliminary expenses paid by the company amounted to €8.000.

REQUIRED:

1. In the books of the partnership, show the following accounts:

(a) Realisation A/c	(Marks 4)
(b) Partners' Capital A/c	(Marks 2)
(c) LIMA Plc A/c	(Marks 2)
(d) Shares in LIMA Plc A/c	(Marks 2)
(e) Cash A/c	(Marks 2)

2. In the books of LIMA Plc show the following accounts:

(a) Cash A/c	(Marks 4)
(b) Share Premium A/c	(Marks 4)

(Total Marks 20)

QUESTION 3

OLIVE Plc has an Authorised Share Capital of €800.000 divided in Ordinary Shares of €2 each, of which, 150 000 shares have been issued at par.

The directors decided to increase the capital by issuing the remaining 250 000 shares at a premium of 10%. The amounts payable were as follows:

	€
Application	0,50
Allotment (including the premium)	0,90
First call	0,60
Second and Final Call (remaining balance)	?

Applications were received for 350 000 shares.

The directors decided that applications for 50 000 shares would be rejected and the application money received would be refunded to unsuccessful applicants. The remaining applicants would be satisfied on a pro-rata basis.

Allotment money was duly received but when the First Call was asked a shareholder holding 2 500 shares failed to pay and another shareholder holding 3 000 shares paid them in full. When the Second Call was asked all shareholders paid their obligations except the above mentioned one who held 2 500 shares.

REQUIRED:

1. Journal entries, including those relating to cash, to record the above transactions in the books of OLIVE Plc (Marks 15)

2. The following Ledger Accounts in the books of OLIVE Plc:
   (a) Application and Allotment a/c (Marks 2,5)
   (b) Ordinary Share Capital A/c (Marks 2,5)

(Total Marks 20)

QUESTION 4

The following balances appeared in theTrial Balance of PAPHOS Plc after the preparation of the Trading Account for the year ended 31 December 2013:

	DR €	CR €
Ordinary Share Capital		1.400.000
7% Preference Share Capital		500.000
Furniture & Fittings	160.000	
Provision for Depreciation on Furniture & Fittings		32.000
Freehold Property	1.752.000	
Delivery Vans	100.000	
Provision for depreciation on Delivery Vans		40.000
Debtors	300.000	
Stock at 31December 2013	60.000	
Provision for Bad Debts 1January 2013		20.000
Creditors		140.000
Salaries	160.000	
6% Debentures (**Issued 1 July 2013**)		400.000
General Reserve		220.000
Interim Dividend - Ordinary Shares	12.000	
Interim Dividend - 7% Preference Shares	15.000	
Bad Debts	8.000	
Profit & Loss, 1 January 2013	5.000	
Directors' Remuneration	50.000	
Debenture Interest	3.000	
Auditors' fees	24.000	
Profit on sale on disposal of a Delivery Van		3.000
Goodwill	116.000	
Gross Profit		450.000
Carriage Inwards accrued		5.000
Bank	85.000	
Investment	360.000	
	3.210.000	**3.210.000**

Notes:

(a) The Authorised Share Capital of the Company consists of 800 000 Ordinary Shares of €5 each, and 300 000 7% Preference Shares of €2 each,

(b) Provide for the Debenture interest due

(c) Salaries prepaid amounted to €12.000

(d) Depreciation is provided on Furniture and Fittings at 10% per annum (on cost) and on Delivery Vans at 20% per annum (reducing balance method)

(e) Interests of 10% on Investment is due to the company on 31 December 2013

(f) An amount of €2.000 included in Debtors is to be written off as bad

(g) Provision for Bad Debts should be adjusted to 6% on the remaining Debtors

(h) The Directors decided to:

i. make a provision for Corporation Tax 10%

ii. provide for the balance of the 7% preference share dividend and recommend a final ordinary dividend of €0,10 *per share*

iii. transfer to General Reserve €32.000

iv. write off Goodwill by €12.000.

REQUIRED:

(a) The Profit & Loss and Appropriation Account for the year ended 31 December 2013
(Marks 10)

(b) The Balance Sheet of the company as at 31 December 2013
(Vertical format to be used) (Marks 10)

(Total Marks 20)

QUESTION 5

Liana, Maria and Niki were partners sharing profit and losses in the ratio 3:2:1 respectively. The Balance Sheet of the partnership on 31 March 2013 was:

	€	€		€	€
FIXED ASSETS			**Capital A/Cs**		
Buildings	120.000		Liana	240.000	
Office Furniture	100.000		Maria	160.000	
Plant & Machinery	140.000		Niki	80.000	480.000
Motor Vehicles	80.000	440.000			
			CURRENT A/Cs		
CURRENT ASSETS			Liana	50.000	
Stock	36.000		Maria	30.000	
Debtors	54.000		Niki	(20.000)	60.000
Bank	34.000				
Cash	36.000	160.000	**CURRENT LIABILITIES**		
			Creditors		60.000
		600.000			600.000

On 1 July 2013 Niki retired from the partnership and it was agreed to revalue the following assets:

	€
Office Furniture	140.000
Motor Vehicles	130.000
Plant & Machinery	106.000
Stock	40.000

The Goodwill on that date was valued at €120.000.

Niki agreed to take over one of the Motor Vehicle at an agreed valuation of €32.000 and to leave half of the final balance on her capital account as loan to the firm. The remainder was paid to her by cheque.

On the same date a new partner Fay was admitted into the partnership.
Fay is to bring into the business €60.000 cash and a Motor Van valued at €20.000.
The new profit sharing ratio was agreed as follows: Liana: 5, Maria: 3 and Fay: 2.
Following the admission of the new partner the Goodwill was written off.

REQUIRED:

1. The Revaluation A/c (Marks 7,5)
2. The Goodwill A/c (Marks 3,5)
3. The Partners' Capital A/c of Liana, Maria, Niki and Fay (in columnar form) (Marks 9)

(Total Marks 20)

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