

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

ΠΑΓΚΥΠΡΙΕΣ ΕΞΕΤΑΣΕΙΣ 2013

ΜΑΘΗΜΑ: ΛΟΓΙΣΤΙΚΗ

**ΗΜΕΡΟΜΗΝΙΑ ΚΑΙ ΩΡΑ ΕΞΕΤΑΣΗΣ: Πέμπτη, 6 Ιουνίου 2013
07:30 - 10:30**

ΤΟ ΕΞΕΤΑΣΤΙΚΟ ΔΟΚΙΜΙΟ ΑΠΟΤΕΛΕΙΤΑΙ ΑΠΟ ΔΕΚΑ (10) ΣΕΛΙΔΕΣ

ΟΔΗΓΙΕΣ:

- 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 λογισμικών αριθμοδεικτών τριών (3) σελίδων

QUESTION 1**Exercise 1**

On 1 January 2011, the balances in the books of “Fenia Ltd” for Motor Vehicles Account and Provision for Depreciation of Motor Vehicles Account were €85.000 and €25.000 respectively.

On 1 August 2011, the company received a cheque amounting €4.000 for the sale of one Motor Vehicle which had been purchased on 1 October 2008 for €9.000.

On 1 February 2012, the company purchased a new Motor Vehicle for €12.000 by cheque. Depreciation is charged at 20% per annum on cost (straight line method) for each month of ownership.

REQUIRED:

Prepare for the two years ended 31 December 2011 and 31 December 2012, the following accounts:

- Motor Vehicles Account
- Provision for Depreciation of Motor Vehicles Account
- Motor Vehicle Disposal Account

(Marks 10)**Exercise 2**

The following is a list of balances extracted from the books of a manufacturer, as at 31 December 2012:

| Account name | Amount € |
|---|-------------|
| Plant & Machinery (at cost price) | 540.000 |
| Fuel & Power | 45.000 |
| Office Expenses | 32.000 |
| Direct Wages | 92.000 |
| Office Salaries | 26.000 |
| Sales | 850.000 |
| Factory Insurance | 12.000 |
| Purchases of Raw Materials | 320.000 |
| Returns Inwards | 4.500 |
| Returns Outwards | 9.000 |
| Carriage Inwards | 6.800 |
| Repairs & Maintenance of Machinery | 24.000 |
| Direct Expenses | 52.000 |
| Opening Stock (1/1/2012): | |
| Raw Materials | 48.000 |
| Work in Progress (at factory cost) | 15.000 |
| Finished Goods | 65.000 |
| Provision for Depreciation of Plant & Machinery, 1 Jan 2012 | 105.000 |

Notes:

- a) Plant & Machinery is depreciated at 10% per annum using the reducing balance method
- b) Fuel & Power accrued on 31 December 2012 was €1.500
- c) Direct Wages prepaid on 31 December 2012 were €1.800
- d) Closing Stock on 31 December 2012:
 - Raw Materials €46.000
 - Work in Progress €18.000 (at factory cost)
 - Finished Goods €56.000

REQUIRED:

Using the relevant information, prepare the Manufacturing Account for the year ended 31 December 2012 showing clearly:

- a) Cost of Raw Materials used
- b) Prime Cost
- c) Cost of Production

(Marks 10)
(Total Marks 20)

QUESTION 2

“Nefeli Ltd” is a Company with Authorised Capital of 200 000 Ordinary Shares of €4 each. 80 000 Ordinary Shares had already been issued at par. The remaining Ordinary Shares were offered for issue, at a premium of 10%, payable as follows:

- €0,80 per share on Application
- €1,70 per share on Allotment (including Premium)
- €1,20 per share on First Call and
- the balance on Second and Final Call

Applications for 150 000 shares were received. The Directors decided that applications for 8 000 shares would be rejected and the application money received would be refunded to the unsuccessful applicants.

The balance of shares being allotted to the remaining applicants pro-rata to their applications.

Allotment money was duly received, but when the First Call was asked, a shareholder holding 2 000 shares failed to pay. Another shareholder holding 1 000 shares paid them in full.

When the Second and Final Call was asked, all shareholders paid their obligations except for the above mentioned shareholder holding 2 000 shares.

REQUIRED:

Prepare the following Ledger Accounts in the books of “Nefeli Ltd”:

- | | |
|--------------------------------------|-------------------------|
| a) Application and Allotment Account | (Marks 3,5) |
| b) Ordinary Share Capital Account | (Marks 2,5) |
| c) Share Premium Account | (Marks 0,5) |
| d) Bank Account | (Marks 5,5) |
| e) First Call Account | (Marks 2) |
| f) Calls in Arrear Account | (Marks 1) |
| g) Calls in Advance Account | (Marks 2) |
| h) Second and Final Call Account | (Marks 3) |
| | (Total Marks 20) |

QUESTION 3

“Nelvia Ltd” is a public company with Authorised Share Capital of €800.000, divided into 300 000 Ordinary shares of €2 and 200 000 6% Preference shares of €1 each.

On 31 December 2012 the following Trial Balance was extracted from the books of the company, after the preparation, of the Trading Account:

| Account name | Debit € | Credit € |
|--|------------------|------------------|
| Ordinary Share Capital | | 400.000 |
| 6% Preference Share Capital | | 160.000 |
| Buildings | 700.000 | |
| Motor Cars | 50.000 | |
| Debtors - Creditors | 48.800 | 64.000 |
| General Reserves | | 22.000 |
| Investment | 100.000 | |
| Goodwill | 48.000 | |
| Provision for Bad Debts (1/1/2012) | | 1.200 |
| 8% Debentures (issued 1/4/2012) | | 240.000 |
| Gross Profit | | 175.000 |
| Investment Income | | 9.200 |
| Salaries | 75.500 | |
| Bad Debts | 2.300 | |
| Cash at Bank | 34.400 | |
| Audit Fees | 10.000 | |
| Profit and Loss Balance (1/1/2012) | | 71.600 |
| Closing Stock (31/12/2012) | 107.000 | |
| Interim Dividends: Ordinary shares | 12.600 | |
| Interim Dividends: 6% Preference shares | 4.800 | |
| Debenture Interest paid | 3.200 | |
| Provision for Depreciation of Premises | | 40.000 |
| Provision for Depreciation of Motor Cars | | 15.200 |
| Discount Allowed – Discount Received | 1.200 | 1.800 |
| Cash in Hand | 2.200 | |
| | 1.200.000 | 1.200.000 |

The following notes are to be taken into consideration:

- An amount of €800 included in Debtors is to be written off as bad
- Salaries prepaid on 31 December 2012 were €1.500
- Provide for Debenture Interest due
- Provision for Bad Debts should be adjusted to 5% on the remaining balance of Debtors
- Depreciation is calculated as follows:

5% on Premises net book value

10% on Motor Cars cost

The Directors decided to:

- Provide for 10% Corporation Tax
- Provide for the final dividend of 6% Preference Shares and for a final dividend on Ordinary Shares of €0.10 cents per share
- To write off Goodwill by €8.000
- To transfer €2.000 to General Reserves

REQUIRED:

- a) The Profit and Loss and Appropriation Account for the year ended on 31 December 2012 **(Marks 10)**
- b) The Balance Sheet as at 31 December 2012 **(in vertical form)** **(Marks 10)**

(Total Marks 20)

QUESTION 4**Exercise 1**

Marios, Pavlos and George are partners, sharing profits and losses in the ratio of 3:2:1 respectively. The following is the Balance Sheet of the partnership drawn up on 30 April 2013:

Balance Sheet as at 30 April 2013

| | € | € | | € | € |
|------------------------------|---------|-----------|-----------------------------------|---------|-----------|
| <u>FIXED ASSETS</u> | | | <u>CAPITAL A/CS:</u> | | |
| Premises | 600.000 | | Marios | 600.000 | |
| Machinery | 320.000 | | Pavlos | 400.000 | |
| Furniture & Fittings | 80.000 | | George | 200.000 | 1.200.000 |
| Motor Vehicles | 70.000 | 1.070.000 | | | |
| | | | <u>CURRENT A/CS:</u> | | |
| <u>CURRENT ASSETS</u> | | | Marios | 6.000 | |
| Stock | 68.000 | | Pavlos | 8.000 | |
| Debtors | 60.000 | | George | (4.000) | 10.000 |
| Bank | 92.000 | | | | |
| Cash | 10.000 | 230.000 | <u>CURRENT LIABILITIES</u> | | |
| | | | Creditors | | 90.000 |
| | | 1.300.000 | | | 1.300.000 |

On 1 May 2013 George retired from the partnership and it was agreed to revalue certain assets as follows:

| | € |
|----------------------|---------|
| Premises | 850.000 |
| Machinery | 260.000 |
| Furniture & Fittings | 76.000 |
| Motor Vehicle | 64.000 |
| Stock | 78.000 |

On that date Goodwill was valued at €50.000

The amount of €86.000 was paid to George as part payment for his retirement and agreed to leave the remaining balance as long term loan.

After George's retirement, the partners agreed to write off the Goodwill and continue to share profits and losses as before.

REQUIRED:

- | | |
|--|-------------|
| a) Revaluation Account | (Marks 4,5) |
| b) Goodwill Account | (Marks 1) |
| c) Partners' Capital Accounts (in columnar form) | (Marks 2,5) |
| d) Balance Sheet after George's retirement | (Marks 7) |

Exercise 2

The following information concerns the business of “Raske Ltd”, for the year ended 31 December 2012:

- a) Opening Stock was €70.400
- b) Stock Turnover Ratio was five (5) times during the year
- c) Gross Profit Ratio was 25% on Sales
- d) Total Sales for the year amounted to €500.000

REQUIRED

Prepare the Trading Account of “Raske Ltd” for the year ended 31 December 2012.

(Show your workings clearly)

(Marks 5)

(Total Marks 20)

QUESTION 5

Manos and Stelios are partners sharing profits and losses in the ratio of 3:2 respectively. The Balance Sheet as at 31 December 2012 was as follows:

Balance Sheet as at 31 December 2012

| | € | € | | € | € |
|-----------------------|---------|----------------|----------------------------|----------|----------------|
| Fixed Assets | | | Capital A/cs: | | |
| Land & Buildings | 750.000 | | Manos | 540.000 | |
| Furniture & Fittings | 35.000 | | Stelios | 360.000 | 900.000 |
| Motor Vehicles | 85.000 | 870.000 | | | |
| Current Assets | | | Current A/cs: | | |
| Stock | 62.000 | | Manos (Dr) | (38.000) | |
| Debtors | 45.000 | 107.000 | Stelios (Dr) | (17.000) | (55.000) |
| | | | Current Liabilities | | |
| | | | Creditors | 63.000 | |
| | | | Bills Payable | 12.000 | |
| | | | Bank Overdraft | 57.000 | 132.000 |
| | | 977.000 | | | 977.000 |

On 1 January 2013, "Antigone Ltd" was formed with Authorized Share Capital of 800 000 ordinary shares of €3 each and took over all the above Assets and Liabilities, except the Bank Overdraft, which was repaid by the partnership.

The Assets taken over by "Antigone Ltd" as at 1 January 2013 were valued as follows:

| | | |
|----------------------|-----------|---|
| | € | |
| Land & Buildings | 1.200.000 | |
| Furniture & Fittings | 20.000 | |
| Motor Vehicles | 57.000 | |
| Stock | 55.000 | |
| Debtors | 43.000 | (the difference being provision for doubtful debts) |

The purchase consideration was agreed to €1.400.000. This was satisfied by a cheque payment of €146.000 and by the issue to the partners' of ordinary shares at a premium of 10%.

To finance the conversion of the Partnership to a Limited Company, "Antigone Ltd" issued €175.000 of 7% Debenture Stock at a discount of 5% which were subscribed and fully paid up.

Preliminary Expenses of €5.000 were paid by "Antigone Ltd".

REQUIRED:**I. In the books of the partnership:**

Show the necessary entries in the following Accounts to close the Partnership:

- i. Realization Account (Marks 3)
- ii. Partners' Capital Accounts (in columnar form) (Marks 3)
- iii. "Antigone Ltd" Account (Marks 1,5)
- iv. Bank Account (Marks 1,5)
- v. Shares in "Antigone Ltd" Account (Marks 1)

II. In the books of "Antigone Ltd":

Show the Journal entries necessary to open the books of "Antigone Ltd"
(narrations are not required)

(Marks 10)

(Total Marks 20)

(GRAND TOTAL MARKS 100)

----THE END----