

**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

ΠΡΟΤΕΙΝΟΜΕΝΕΣ ΛΥΣΕΙΣ

ANSWER 1:

Exercise 1

Motor vehicles Account

Date	Particulars	€	Date	Particulars	€
2011 Jan 1	Balance b/d	85.000	2011 Aug 1	Disposal a/c	9.000
			Dec. 31	Balance c/d	76.000
		85.000			85.000
2012 Jan 1	Balance b/d	76.000	2012 Dec 31	Balance c/d	88.000
Feb 1	Bank	12.000			
		88.000			88.000
2013 Jan 1	Balance b/d	88.000			

Disposal Account

Date	Particulars	€	Date	Particulars	€
2011 Aug 1	Motor vehicle	9.000	2011 Aug 1	Prov. for depr. (W1)	5.100
Aug 1	Profit on sale	100	Aug 1	Bank	4.000
		9.100			9.100

Provision for depreciation of Motor vehicles Account

Date	Particulars	€	Date	Particulars	€
2011 Aug 1	Disposal	5.100	2011 Jan 1	Balance b/d	25.000
Dec 31	Balance c/d	36.150	Dec 31	Depreciation (W2)	16.250
		41.250			41.250
2012 Dec 31	Balance c/d	53.550	2012 Jan 1	Balance b/d	36.150
			Dec 31	Depreciation (W3)	17.400
		53.550			53.550
			2013 Jan 1	Balance b/d	53.550

WORKINGS:

1. Accumulated depreciation of Motor vehicle sold on 1 August 2011:

Date of purchase: 01/10/2008

Date of sold: 01/08/2011

Year	Months
2008	3
2009	12
2010	12
2011	7

Total 34 → €9.000 X 20% X 34/12 = €5.100

2. Annual depreciation for the year ended 31 December 2011:

- (€85.000 - €9.000) X 20% = €15.200
 - €9.000 X 20% X 7/12 = €1.050
- €16.250**

3. Annual depreciation for the year ended 31 December 2012:

- €76.000 X 20% = €15.200
 - €12.000 X 20% X 11/12 = € 2.200
- €17.400**

(Marks 10)

Exercise 2

**Manufacturing Account
for the year ended 31 December 2012**

	€	€	€
Opening stock of raw materials			48.000
Purchases		320.000	
Less returns outwards		(9.000)	
Add carriage inwards		<u>6.800</u>	
		317.800	
Less closing stock		<u>46.000</u>	<u>271.800</u>
Cost of raw materials used			319.800
Direct wages	92.000		
Less prepaid	(1.800)	90.200	
Direct expenses		<u>52.000</u>	142.200
PRIME COST			462.000
Factory overhead expenses:			
Fuel & power	45.000		
Add due	<u>1.500</u>	46.500	
Factory insurance		12.000	
Repairs & maintenance of machinery		24.000	
Depreciation of plant & machinery: (€540.000 - €105.000) X 10%)		<u>43.500</u>	<u>126.000</u>
			588.000
Add opening work in progress		15.000	
Less closing work in progress		18.000	<u>(3.000)</u>
COST OF PRODUCTION (to trading a/c)			<u>585.000</u>

(Marks 10)
(Total Marks 20)

ANSWER 2:

(a)

Application & Allotment Account

	€		€
Ordinary share capital (shares 120 000 X €2.10)	252.000	Bank – application money	120.000
share premium (shares 120 000 X €0.40)	48.000	Bank – allotment money	186.400
Bank- refund	6.400		
	306.400		306.400

(b)

Ordinary Share Capital Account

	€		€
Balance c/d	800.000	Balance b/d (shares 80 000 X €4)	320.000
		A & A (shares 120 000 X €2.10)	252.000
		First call (shares 120 000 X €1.20)	144.000
		Final call (shares 120 000 X €0.70)	84.000
	800.000		800.000
		Balance b/d	800.000

(c)

Share Premium Account

	€		€
Balance c/d	48.000	A & A (shares 120 000 X €0.40)	48.000
	48.000		48.000
		Balance b/d	48.000

(d)

Bank Account

	€		€
A & A (shares 150 000 X €0.80)	120.000	A & A – refund (8.000 X 0.80)	6.400
A & A (shares 120 000 X €1.70) – (shares 22 000 X €0.80)	186.400		
First call (shares 118 000 X €1.20)	141.600		
Calls in advance (shares 1 000 X €0.70)	700		
Final call [(shares 120 000 – shares 3 000) X 0.70]	81.900		

(e) First Call Account

	€		€
Ordinary share capital (shares 120 000 €1.20)	144.000	Bank (sh. 120 000 – sh.2 000) X €1.20	141.600
		Calls in arrear(sh. 2 000 X €1.20)	2.400
	144.000		144.000

(f) Calls in arrear

	€		€
First call (shares 2 000 X€1.20)	2.400	Balance c/d	3.800
Final call (shares 2 000 X €0.70)	1.400		
	3.800		3.800
Balance b/d	3.800		

(g) Calls in advance

	€		€
Final call (shares 1 000 X €0.70)	700	Bank(shares 1 000 X €0.70)	700
	700		700

(h) Final call Account

	€		€
Ordinary share capital (shares 120 000 X €0.70)	84.000	Bank [sh 120 000 – (sh.2 000+sh.1 000) X €0.70]	81.900
		Calls in arrear (sh. 2 000 X €0.70)	1.400
		Calls in advance (sh. 1 000 X €0.70)	700
	84.000		84.000

WORKINGS

- Total amount to be collected: shares (200 000 – 80 000) X €4.40 = **528.000**
- Total amount collected by installments as follows:

	Shares		€	Total €
• On application	120 000	X	0.80	= 96.000
• On allotment	120 000	X	1.30	= 156.000
• Premium	120 000	X	0.40	= 48.000

• First call	120 000	X	1.20	=	144.000
• Final call	<u>120 000</u>	X	<u>0.70</u>	=	84.000
Total	120 000	X	4.40	=€	<u>528.000</u>

3. Money received on application: shares 150 000 X €0.80 = €120.000

4. Oversubscription: shares 30 000 X €0.80 = €24.000

• Shares rejected: shares 8 000 X €0.80 = € 6.400

• Transfer to allotment shares 22 000 X €0.80 = €17.600 = €24.000

5. Money received on allotment: (sh.120 000 X €1.70) - (sh. 22 000 X €0.80) = €186.400

(Marks 20)
(Total Marks 20)

ANSWER 3:

**Profit and Loss and Appropriation Account of Nelia Ltd
for the year ended 31 December 2012**

	€	€		€
Salaries	75.500		Gross profit	175.000
Less prepaid	(1.500)	74.000	Discount received	1.800
Bad debts (2.300 + 800)		3.100	Investment income	9.200
Audit fees		10.000		
Debenture interest paid	3.200			
Add due (€240.000 X 8% X 9/12 - 3.200)	11.200	14.400		
Discount allowed		1.200		
Provision for depreciation:				
Buildings (€700.000 - €40.000) X 5%	33.000			
Motor cars (€50.000 X 10%)	5.000	38.000		
Provision for bad debts (W1)		1.200		
Net profit		44.100		
		186.000		186.000
Corporation tax (€44.100 X 10%)		4.410	Balance b/d	71.600
Interim dividends:			Net profit	44.100
Ordinary shares	12.600			
6% Pref. shares	4.800	17.400		
Proposed Dividends:				
Ordin. shares (shares 200 000 X €0.10)	20.000			
6% Preference shares (€160 000 X 6% - €4.800)	4.800	24.800		
Goodwill written off		8.000		
General reserve		2.000		
Balance c/d		59.090		
		115.700		115.700
			Balance b/d	59.090

(Marks 10)

**Balance Sheet of Nelia Ltd
as at 31 December 2012**

	€	€	€
FIXED ASSETS	Cost	Acc. Depr.	Book value
Intangible assets			
Goodwill	48.000	8.000	40.000
Tangible assets			
Buildings	700.000	73.000	627.000
Motor cars	50.000	20.200	29.800
Total Fixed Assets	<u>798.000</u>	<u>101.200</u>	696.800
Investment			100.000
CURRENT ASSETS			
Stock	107.000		
Debtors (€48.800 - €800) = 48.000			
Less provision for bad debts <u>2.400</u>	45.600		
Salaries prepaid	1.500		
Bank	34.400		
Cash in hand	2.200	190.700	
CURRENT LIABILITIES			
Creditors	64.000		
8% Debentures interest due	11.200		
Corporation tax	4.410		
Proposed dividends: ordinary shares	20.000		
Proposed dividends: 6% preference shares	4.800	104.410	
Working capital (Net Current Assets)			86.290
TOTAL ASSETS LESS CURRENT LIABILITIES			883.090
SHARE CAPITAL	Authorised	Called Up	
Ordinary share capital shares 300 000 of €2 each	600.000	400.000	
6% preference share capital 200 000 of €1 each	200.000	160.000	560.000
	800.000		
RESERVES & SURPLUSES			
General reserve (€22.000 + €2.000)		24.000	
P & L appropriation (balance c/d)		59.090	83.090
LONG TERM LIABILITIES			
8% Debentures			240.000
TOTAL CAPITAL EMPLOYED			883.090

W1.

Provision for bad debts Account

	€		€
Balance c/d (€48.000 X 5%)	2.400	Balance b/d	1.200
		Profit & loss	1.200
	2.400		2.400

**(Marks 10)
(Total Marks 20)**

ANSWER 4:

Exercise 1

Revaluation A/c

	€		€
Machinery (320.000 – 260.000)	60.000	Premises (850.000 - 600.000)	250.000
Furniture & Fittings (80.000 – 76.000)	4.000	Stock (78.000 - 68.000)	10.000
Motor Vehicles (70.000 – 64.000)	6.000	Goodwill	50.000
<u>Profit on Revaluation</u>			
Marios $240.000 \times 3/6 = 120.000$			
Pavlos $240.000 \times 2/6 = 80.000$			
George $240.000 \times 1/6 = 40.000$	240.000		
	<u>310.000</u>		<u>310.000</u>

Goodwill A/c

	€		€
Revaluation A/c	50.000	<u>Capital A/cs</u>	
		Marios $50.000 \times 3/5$	30.000
		Pavlos $50.000 \times 2/5$	20.000
	<u>50.000</u>		<u>50.000</u>

Partner's Capital A/cs

	Marios	Pavlos	George		Marios	Pavlos	George
	€	€	€		€	€	€
Current A/c			4.000	Balance b/d	600.000	400.000	200.000
Bank			86.000	Profit on Revaluation	120.000	80.000	40.000
Loan			150.000				
Goodwill written off	30.000	20.000					
Balance c/d	690.000	460.000					
	<u>720.000</u>	<u>480.000</u>	<u>240.000</u>		<u>720.000</u>	<u>480.000</u>	<u>240.000</u>
				Balance b/d	690.000	460.000	

Balance Sheet of Marios & Pavlos as at 1 May 2013

	€	€		€	€
<u>FIXED ASSETS</u>			<u>CAPITAL A/CS</u>		
Premises	850.000		Marios	690.000	
Machinery	260.000		Pavlos	460.000	1.150.000
Furniture & Fittings	76.000				
Motor Vehicles	64.000	1.250.000	<u>CURRENT A/CS</u>		
			Marios	6.000	
<u>CURRENT ASSETS</u>			Pavlos	8.000	14.000
Stock	78.000				
Debtors	60.000		<u>LONG TERM LIABILITIES</u>		
Bank(92.000 - 86.000)	6.000		Loan A/c		150.000
Cash	10.000	154.000	<u>CURRENT LIABILITIES</u>		
			Creditors		90.000
		1.404.000			1.404.000

(Marks 15)

Exercise 2

Trading account of Raske Ltd for the year ended 31 December 2012

	€		€
Opening stock	70.400	Sales	500.000
Purchases (W4)	384.200		
	454.600		
Less closing stock (W3)	79.600		
Cost of sales (W2)	375.000		
Gross profit (W1)	125.000		
	500.000		500.000

WORKINGS

- a) Gross profit: sales X gross profit ratio = €500.000 X 25% = **€125.000**
 b) Calculation of cost of sales: sales – Gross profit €500.000 - €125.000 = €375.000
 c) Calculation of closing stock:

Stock turnover = Cost of sales/ average stock → 5 = €375.000/average stock
 Average stock = €375.000/5 = €75.000
 Average stock = opening stock + closing stock / 2
 €75.000 = €70.400 + closing stock / 2
 €150.000 = €70.400 + closing stock
 Closing stock = €150.000 - €70.400
 Closing stock = **€79.600**

1. Calculation of Purchases:

Cost of sales = opening stock + purchases – closing stock

€375.000 = €70.400 + purchases - €79.600

Purchases = €375.000 + €79.600 - €70.400

Purchases = **€384.200**

(Marks 5)
(Total Marks 20)

ANSWER 5

In the books of the partnership:

(i)

Realization Account

	€		€
Land & buildings	750.000	Creditors	63.000
Furniture & fittings	35.000	Bills payable	12.000
Motor vehicles	85.000	Antigone Ltd (Purchase price)	1.400.000
Stock	62.000		
Debtors	45.000		
Capital a/cs: profit on realisation			
Manos: (€498.000 X 3/5)	298.800		
Stelios: (€498.000 X 2/5)	199.200		
	1.475.000		1.475.000

(ii)

Capital Accounts

	Manos	Stelios		Manos	Stelios
Current accounts	38.000	17.000	Balance b/d	540.000	360.000
Shar. in Antigone Ltd	752.400	501.600	Realisation profit	298.800	199.200
Bank	48.400	40.600			
	838.800	559.200		838.800	559.200

(iii)

Antigone Ltd Account

	€		€
Realisation (purchase price)	1.400.000	Bank	146.000
		Shares in Antigone Ltd	1.254.000
	1.400.000		1.400.000

(iv)

Bank Account

	€		€
Antigone Ltd	146.000	Balance b/d	57.000
		Capital a/cs: Manos	48.400
		Stelios	40.600
	146.000		146.000

(v)

Shares in Antigone Ltd

	€		€
Antigone Ltd	1.254.000	Capital a/cs:	
		Manos (€1.254.000 X 3/5)	752.400
		Stelios (€1.254.000 X 2/5)	501.600
	1.254.000		1.254.000

In the books of Antigone Ltd:
Journal entries:

	€	€
Land & buildings	1.200.000	
Furniture & fittings	20.000	
Motor vehicles	57.000	
Debtors	45.000	
Stock	55.000	
Goodwill (W1)	100.000	
Provision for bad debts		2.000
Vendors (Manos & Stelios)		1.400.000
Creditors		63.000
Bills payable		12.000
Vendors (Manos & Stelios)	1.400.000	
Bank		146.000
Ordinary share capital (sh. 380 000 X €3)		1.140.000
Share premium (shares 380 000 X €0.30)		114.000
Debenture holders (€175.000 X 95%)	166.250	
Debenture discount (€175.000 X 5%)	8.750	
7% Debentures		175.000
Bank	166.250	
Debenture holders		166.250
Preliminary expenses	5.000	
Bank		5.000

Working for Calculation of Goodwill:

	€	€	€
Purchase price			1.400.000
Assets taken over:			
Land & buildings	1.200.000		
Furniture & fittings	20.000		
Motor vehicles	57.000		
Stock	55.000		
Debtors 45. 000			
Less provision for bad debts <u>2.000</u>	<u>43.000</u>	1.375.000	
Less liabilities undertaken:			
Creditors	63.000		
Bills payable	12.000	75.000	
Net Assets taken			1.300.000
Goodwill			100.000

(Marks 20)
(Total Marks 20)

(GRAND TOTAL MARKS 100)