

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

**ΠΑΓΚΥΠΡΙΕΣ ΕΞΕΤΑΣΕΙΣ 2015**

**ΜΑΘΗΜΑ: ΛΟΓΙΣΤΙΚΗ**

**ΗΜΕΡΟΜΗΝΙΑ ΚΑΙ ΩΡΑ ΕΞΕΤΑΣΗΣ: Πέμπτη, 21 Μαΐου 2015  
08:00 - 11:00**

**ΤΟ ΕΞΕΤΑΣΤΙΚΟ ΔΟΚΙΜΙΟ ΑΠΟΤΕΛΕΙΤΑΙ ΑΠΟ ΕΝΝΕΑ (9) ΣΕΛΙΔΕΣ**

**ΟΔΗΓΙΕΣ:**

- Να απαντήσετε σε όλες τις ερωτήσεις (Answer all questions)
- Όλοι οι υπολογισμοί πρέπει να φαίνονται καθαρά στο τετράδιό σας
- Επιτρέπεται η χρήση μη προγραμματισμένης υπολογιστικής μηχανής
- Δεν επιτρέπεται η χρήση διορθωτικού υγρού

**QUESTION 1**

**Exercise 1**

The following balances were extracted from the books of Amaliada Plc on 31 December 2014:

	€
Plant and Machinery at cost	358.600
Office Furniture and Equipment at cost	16.800
Provisions for Depreciation, 1 January 2014:	
Plant and Machinery	38.600
Office Furniture and Equipment	5.400
Stocks on 1 January 2014:	
Raw Materials	12.200
Work in Progress (at prime cost)	7.200
Finished Goods	27.300
Purchases of Raw Materials	116.700
Carriage Inwards	1.680
Direct Factory wages	30.400
Fuel & Power	6.780
Factory Rent	14.000
Direct Factory Expenses	11.000
Rates and Insurance	1.750
Salaries:	
Factory	32.300
Office	36.840
Heat and Light	2.850
Repairs of Plant and Machinery	2.620

Additional information on 31 December 2014:

- Value of stocks:
 

Raw Materials	€ 13.700
Work in Progress	€ 7.700 (at prime cost)
Finished Goods	€ 28.100
- Depreciation is provided on Plant and Machinery at 10% using the Reducing balance method and the Office Furniture at 10% using the Straight line method
- Rates accrued amounted to €250
- The monthly Factory Rent is €1.000
- Heat & Light and Rates & Insurance should be apportioned as follows: Factory 3/5, Office 2/5.

**REQUIRED:**

Prepare the Manufacturing Account for Amaliada Plc for the year ended 31 December 2014, showing clearly the following:

- |                               |             |
|-------------------------------|-------------|
| a) Cost of Raw Materials used | (Marks 2,5) |
| b) Prime Cost                 | (Marks 3)   |
| c) Cost of Factory overheads  | (Marks 6)   |
| d) Cost of Production.        | (Marks 0,5) |

**Exercise 2**

On 31 December 2012 the Motor Vehicles account of Victoria Plc, showed a balance of €80.000. The Provision for depreciation of Motor Vehicles on the same date was €15.000.

The following transactions took place during the following years:

- |      |            |                                                                                                               |
|------|------------|---------------------------------------------------------------------------------------------------------------|
| 2013 | January 31 | Bought two Motor Vehicles for €9.000 each paid by cheque                                                      |
|      | October 1  | Bought a Motor Vehicle for €19.000 on credit from Alpha Plc                                                   |
| 2014 | August 1   | A Motor Vehicle which had been bought on 1 October 2010 at a cost €12.000, was sold for the amount of €6.750. |

Depreciation is provided at the rate of 10% per annum using the Straight Line Method for each month of ownership.

**REQUIRED:**

Prepare the following accounts for the years ended 31 December 2013, 2014 :

- |                                                        |           |
|--------------------------------------------------------|-----------|
| a) Motor Vehicles Account                              | (Marks 2) |
| b) Provision for Depreciation of Motor Vehicle Account | (Marks 4) |
| c) Motor Vehicles Disposals Account                    | (Marks 2) |

**Show all your workings**

**(Total Marks 20)**

**QUESTION 2**

Andreas, Nicolas and Loizos were partners in a retail business. The partnership agreement stated that:

- (i) Profits and losses were shared equally
- (ii) Interest on capital at the rate of 6% per annum is allowed
- (iii) Annual salary of €5.500 is allowed to partner Andreas
- (iv) 4% per annum interest is allowed on Partners' Loan
- (v) 4% per annum interest is charged on Partners' Drawings.

The following balances were extracted from the books of the partnership at 31 December 2014 before any appropriations:

	Andreas	Nicolas	Loizos
	€	€	€
Partners' Capital account	10.000	15.000	12.000
Partners' Current account	500 DR	1.000 CR	2.500 DR
Partners' Drawings	7.000	6.000	5.000

The Net Profits for the year to 31 December 2014	
(Before interest on partner's Loan)	22.100
Loan from partner Loizos ( <b>Dated 1 July 2014</b> )	5.000
Freehold premises	50.000
Accrued expenses	800
Debtors	2.000
Fixtures and Fittings	8.000
Bank Overdraft	2.500
Creditors	5.510
Loan from a Bank	20.000
Stock	5.500
Cash	7.410

On 1 January 2015 Nicolas retired from the partnership and the following agreement was made:

- a. The following Assets would be revalued as follows:  
Freehold premises €60.000, Fixtures and Fittings €6.000, Stock €6.500
- b. Goodwill would be valued at 1 (one) year's purchase of the average profits of the last three years. These were:  
Year 2012 50.000 profit  
Year 2013 (27.000) loss  
Year 2014 22.000 profit
- c. Nicolas will take over the following assets as part of his capital:  
Cash €2.000, all the Fixtures and fittings and the balance remains as a Loan to the new partnership.
- d. Profits and Losses would be shared between Andreas and Loizos in the ratio of 2:1 respectively and Goodwill is to be written off.

**REQUIRED:**

- a) Prepare for the year ended 31 December 2014
  - (i) The Profit and Loss Appropriation account (Marks 6 )
- b) Prepare for the period ended 1 January 2015
  - (i) The partners Current accounts (Marks 8 )
  - (ii) The partners Capital accounts (Marks 3 )
  - (iii) The Revaluation account (Marks 3 )

**(Total Marks 20)**

**QUESTION 3**

The following Balance Sheet was extracted from the books of Agathi, a sole trader on 31 March 2014:

	€	€	€		€	€
<b>Fixed Assets</b>				<b>Capital</b>		374.000
Premises		220.000				
Machinery		87.000		<b>Long term Liab.</b>		
Fixture & Fittings		25.000		Loan		20.000
Delivery Vans		35.000	367.000			
				<b>Current Liabil.</b>		
<b>Current Assets</b>				Creditors	40.000	
Stock		40.000		Bank	16.000	56.000
Debtors	24.000					
Less Prov.for B.D.	1.000	23.000				
Cash in hand		20.000	83.000			
			450.000			450.000

On 31 March 2014 Agathi decided to convert her business into a public limited company, the Agatha Plc, with an authorized share capital of €900.000 in Ordinary Shares of €0.50 each.

It was agreed that the company should take over all the Assets and Liabilities with the exceptions of: Cash in hand, Bank, and one of the Delivery Vans, which was taken over by Agathi at a book value of €5.200.

An amount of €10.200 of the creditors was settled by Agathi. The remaining creditors were taken over by the company Agatha Plc.

The assets taken over by the company were revalued as follows:

Premises €250.000, Machinery €100.000, Fixtures and Fittings €20.000, Delivery Vans €30.000, Stock €35.000.

The provision for bad debts should be adjusted to 5% of debtors.

The Goodwill was valued at €10.000.

The purchase consideration should be discharged by the issue to Agathi of 800 000 Ordinary Shares at par and the balance in cash.

Preliminary expenses paid by the company amounted to €4.000.

After allotting shares to Agathi, the company issued to the public 400 000 Ordinary shares at a premium of 20%.

The company also issued 800, 6% Debentures bonds, of €100 each at €96 per bond.

**REQUIRED:**

- Make the necessary journal entries, including those relating to cash, in the books of Agatha Plc. (Narrations are not required) (Marks 10)
- The opening balance sheet of the Agatha Plc, after the completion of the above transactions. (Marks 10)

**(Total Marks 20)**

**QUESTION 4**

Antonios, Marcos and Panayiotis have been in partnership for several years, sharing profits and losses in the ratio 3:2:1.

The following Trial Balance was extracted from the books of the partnership on 30 September 2014:

Account name	DR €	CR €
Partners' Capital Accounts:		
Antonios		8.000
Marcos		8.000
Panayiotis		2.000
Partners' Current Accounts:		
Antonios		2.000
Marcos		4.000
Panayiotis	4.000	
Debtors - Creditors	21.000	13.000
Bank		17.000
Stock	15.000	
Motor Vehicles	16.000	
Provision for Depreciation of Motor Vehicles		2.000
<b>Totals</b>	<b>56.000</b>	<b>56.000</b>

It was decided that the partnership should be dissolved on 1 October 2014 under the following terms:

- (1) Andreou, a debtor who owed the partnership €20.000, became bankrupt and was able to pay only 10 cent per € of his outstanding balance, while all other debtors paid their debts in full.
- (2) Stock was sold for €12.998 cash.
- (3) A motor vehicle was taken over by Antonios at an agreed price of €7.000. The remaining Vehicles were sold for €8.000 cash.
- (4) The costs of dissolution were €3.200 and discounts received from creditors amounted to €842.
- (5) Panayiotis was unable to meet his liability to the partnership as he was declared insolvent, but Antonios was solvent.

**REQUIRED:**

Prepare the following accounts in the books of the partnership to record the above transactions:

- a. Realization Account (Marks 8)
- b. Partners' Capital Accounts (in columnar form) (Marks 5)
- c. Bank Account (Marks 7)

**(Total Marks 20)**

**QUESTION 5**

Pegasos Plc with an Authorized Share Capital of €1.000.000, divided into 400 000 Ordinary shares of €2 and 200 000, 6% Preference shares of €1 each.

On 31 December 2014 the following Trial Balance was extracted from the books of the company, after the preparation of the Trading Account:

Account name	DR €	CR €
Ordinary Share Capital		400.000
6% Preference Share Capital		140.000
Premises	660.000	
Motor Cars	50.000	
Debtors - Creditors	48.800	64.000
General Reserves		22.000
Investment	100.000	
Goodwill	48.000	
Provision for Bad Debts (1/1/2014)		1.200
8% Debentures (issued 1/4/2014)		240.000
Gross Profit		180.000
Investment Income		9.200
Salaries	75.500	
Bad Debts	2.300	
Cash at Bank	32.000	
Audit Fees	10.000	
Profit and Loss Balance (1/1/2014)		71.600
Stock (31/12/2014)	107.000	
Interim Dividends: Ordinary shares	12.600	
Interim Dividends: 6% Preference shares	4.800	
Ordinary Share Premium		20.000
8% Debentures Interest	3.200	
8% Debentures Discount	2.400	
Provision for Depreciation of Motor Cars		15.000
Discount Allowed – Discount Received	1.200	2.000
Calls in arrear (for 20 000 Ordinary Shares)	5.000	
Cash in Hand	2.200	
<b>Totals</b>	<b>1.165.000</b>	<b>1.165.000</b>



**The following information is to be taken into consideration:**

1. An amount of €800 included in Debtors is to be written off as bad
2. Salaries prepaid on 31 December 2014 were €1.500
3. Provide for Debenture Interest due
4. Provision for Bad Debts should be adjusted to 5% on the remaining balance of Debtors
5. Provide for Depreciation at 10% on book value of Motor Cars.

**The Directors decided to:**

1. Provide for 10% Corporation Tax
2. Provide for the final dividend of 6% Preference Shares and for a final dividend on Ordinary Shares of 10 cent per share
3. Write off the whole amount of Debentures Discount and Goodwill by €8.000
4. Transfer additional €2.000 to General Reserves.

**REQUIRED:**

- a. Prepare the Profit and Loss and Appropriation Account for the year ended 31 December 2014 (Marks 10)
- b. Prepare the Balance Sheet as at 31 December 2014 **(in vertical form)** (Marks 10 )

**(Total Marks 20)****(GRAND TOTAL MARKS 100)**

--- THE END ---