ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΠΟΛΙΤΙΣΜΟΥ
ΔΙΕΥΘΥΝΣΗ ΑΝΩΤΕΡΗΣ ΚΑΙ ΑΝΩΤΑΤΗΣ ΕΚΠΑΙΔΕΥΣΗΣ
ΥΠΗΡΕΣΙΑ ΕΞΕΤΑΣΕΩΝ

ΠΑΓΚΥΠΡΙΕΣ ΕΞΕΤΑΣΕΙΣ 2016

ΜΑΘΗΜΑ: ΛΟΓΙΣΤΙΚΗ

ΗΜΕΡΟΜΗΝΙΑ ΚΑΙ ΩΡΑ ΕΞΕΤΑΣΗΣ: Πέμπτη 2 Ιουνίου 2016
08:00 - 11:00

ΤΟ ΕΞΕΤΑΣΤΙΚΟ ΔΟΚΙΜΙΟ ΑΠΟΤΕΛΕΙΤΑΙ ΑΠΟ ΟΚΤΩ (8) 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
- Επισυνάπτεται Τυπολόγιο Λογιστικών Αριθμοδεικτών τεσσάρων (4) σελίδων.

QUESTION 1

Exercise 1

Andy and Bobby are in partnership sharing profits and losses in the ratio 2:1. Their latest Balance Sheet is shown below:

Andy and Bobby
Balance Sheet as at 31 December 2014

	€	€		€	€
Fixed Assets			Capital Accounts		
Premises	170.000		Andy	200.000	
Fixtures	30.000		Bobby	100.000	300.000
Motor Vehicles	60.000	260.000	Current Accounts		
Current Assets			Andy	44.000	
Stock	29.000		Bobby	(14.000)	30.000
Debtors	16.000		Current Liabilities		
Bank	37.000	82.000	Creditors		12.000
		342.000			342.000

On 1st January 2015 the partners agreed to admit Chris into the partnership who paid €60.000 for his capital. The assets of the partnership to be revalued as below:

	€
Premises	240.000
Fixtures	20.000
Motor Vehicles	48.000
Stock	14.000

Andy, Bobby and Chris agreed that the Goodwill of the business to be valued at €24.000. No Goodwill account will be opened, but adjustments should be made in the partners´ Capital Accounts.

The terms of admission of partner were that profits and losses would be shared in the ratio: Andy 2, Bobby 1 and Chris 1.

REQUIRED:

Prepare the following:

a) The Revaluation Account **(Marks 5)**

b) The Partners' Capital Accounts, in columnar form **(Marks 5)**

c) The Balance Sheet of the new partnership after the admission of the new partner at 1st January 2015. **(Marks 5)**

(Total Marks 15)

Exercise 2

The following information relates to Lelia Plc for the year ended 31 December 2015:

	€
Net Profit (before debenture interest accrued)	210.000
Retained Profits 1 January 2015	62.000
Interim Ordinary Shares Dividend	10.000
Interim 5% Preference Shares Dividend	5.000
6% Debentures **(issued on 1 September 2015)**	70.000
General Reserve	40.000
Issued and fully paid up share capital:	
5% Preference Shares of €1 each	400.000
Ordinary Shares of €2 each	1.000.000

The directors proposed the following:

a) To provide for Corporation Tax 10%
b) The payment of a final dividend of €0.04 per Ordinary Share
c) The payment of a final dividend on the 5% Preference Shares
d) To transfer €20.000 to the General Reserve.

REQUIRED:
Prepare the Profit and Loss Appropriation A/c for the year ended 31 December 2015.

(Total Marks 10)

(Question 1 Total Marks 25)

QUESTION 1

Exercise 1

Partnerships Books

Revaluation A/c

	€	€		€
Fixtures		10000	Premises	70000
Motor Vehicles		12000		
Stock		15000		
Profit on Revaluation:				
Capital A 2/3	22000			
Capital B 1/3	11000	33000		
		70000		**70000**

(Marks 5)

Partner's Capital Accounts

Details	A	B	C	Details	A	B	C
	€	€	€		€	€	€
Adjustment for Goodwill (W1)	-	-	6.000	B/ce b/d	200.000	100.000	-
B/ce c/d	226.000	113.000	54.000	Profit on Rev.	22.000	11.000	-
				Bank			60.000
				Adjustment for Goodwill (W1)	4.000	2.000	-
	226.000	**113.000**	**60.000**		**226.000**	**113.000**	**60.000**

(Marks 5)

Working 1:

Statement of Gain and Losses for Goodwill

Partners	Goodwill	Share before admission		Share after admission		Gain/(Loss)	Action required
A		2/3	16.000	2/4	12.000	(4.000)	**Cr 4.000**
B	24.000	1/3	8.000	1/4	6.000	(2.000)	**Cr 2.000**
C		-		1/4	6.000	6.000	**Dr 6.000**

ANDY, BOBBY AND CHRIS PARTNERSHIP
BALANCE SHEET AS AT 1st JANUARY 2015

FIXED ASSETS	€	€		€	€
Premises	240.000		CAPITALS:		
Fixtures	20.000		Andy	226.000	
Motor Vehicles	48.000	308.000	Bobby	113.000	
			Chris	54.000	393.000
CURRENT ASEETS			CURRENT A/CS:		
Stock	14.000		Andy	44.000	
			Bobby	(14.000)	30.000
Debtors	16.000		CURRENT LIABIL.		
Bank (37.000+60.000)	97.000	127.000	Creditors		12.000
		435.000			**435.000**

(Marks 5)
(Total Marks 15)

Exercise 2

LELIA PLC Profit and Loss and Appropriation A/C for the year 31 Dec 2015

	€	€	€
Profit for the Year			210.000
Less Debenture Interest accrued			(1.400)
NET PROFIT FOR THE YEAR			208.600
Less Appropriation:			
Corporation tax (208.600 x 10%)			20.860
Net profit after tax			187.740
Interim Dividends			
Preference Shares	5.000		
Ordinary Shares	10.000	15.000	
Proposed Dividends			
Preference Shares (400.000 x 5%) – 5.000	15.000		
Ordinary Shares	20.000	35.000	
Transfer to General Reserves		20.000	(70.000)
			117.740
Add Retained Profits from Previous Year 2015			62.000
Retained Profits b/f			179.740

(Marks 10)

QUESTION 2

The Balance Sheet of Nelia Plc at 31st December 2013 included the following:

FIXED ASSETS

	€	€
Motor Vans	32.000	
Less Provision for Depreciation	19.200	12.800

The following transactions took place:

2014

March 1 Purchased three Motor Vans on credit from Vision Ltd for €6.000 each.

September 30 Sold a Motor Van by cheque €1.700 which had been bought on 1 January 2012 for €5.000.

2015

July 1 Purchased a new Motor Van on credit from Vision Ltd for €12.600, for the replacement of one bought in 2014. The trade - in value was €4.600.

Depreciation on Motor Vans was calculated at the rate of 20% per annum, by the straight line method proportionately (one month's ownership, one month depreciation).

Note: Your calculations should be made to the nearest €.

REQUIRED:

Prepare the following for the years 2014 and 2015:

a) The Motor Vans Account **(Marks 6)**

b) The Provision for Depreciation on Motor Vans Account **(Marks 6)**

c) The Disposal of Motor Vans Account. **(Marks 8)**

(Total Marks 20)

(Total Marks 25)

QUESTION 2

Nelia Plc Books

Motor Vans A/c

2014		**€**	**2014**		**€**
Jan 1	Balance b/d	32.000	Sept 30	Disposal	5.000
Mar 1	Vision Ltd	18.000	Dec 31	Balance c/d	45.000
		50.000			50.000
2015			**2015**		
Jan 1	Balance b/d	45.000	Jul 1	Disposal	6.000
Jul 1	Vision Ltd	12.600	Dec 31	Balance c/d	51.600
		57.600			57.600
2016					
Jan 1	Balance b/d	51.600			

(Marks 6)

Provision for Depreciation of Vans A/c

2014		**€**	**2014**		**€**
Sept 30	Disposal	2.750	Jan 1	Balance b/d	19.200
Dec 31	Balance c/d	25.600	Dec 31	P&L Depreciation	9.150
		28.350			28.350
2015			**2015**		
Jul 1	Disposal	1.600	Jan 1	Balance b/d	25.600
Dec 31	Balance c/d	33.660	Dec 31	P&L Depreciation	9.660
		35.260			35.260
			2016		
			Jan 1	Balance b/d	33.660

(Marks 6)

Disposal of Motor Vans A/c

2014		**€**	**2014**		**€**
Sept 30	Motor Vans	5.000	Sept 30	Provision for Deprec.	2.750
			Sept 30	Bank	1.700
			Sept 30	**Loss on Sale**	550
		5.000			5.000
2015			**2015**		
Jul 1	Motor Vans	6.000	Jul 1	Provision for Deprec.	1.600
Jul 1	**Profit on Sale**	200	Jul 1	Vision Ltd	4.600
		6.200			6.200

(Marks 8)
(Total Marks 20)

Workings

2014

Depreciation of Van sold:		€
(12)	5.000 x 20% =	1.000
(13)	5.000 x 20% =	1.000
(14)	5.000 x 20% x 9/12	750
		2.750

2014

Depreciation:		€
(1)	Van sold	750
(2)	Van bought	
	18.000 x 20% x 10/12	3.000
(3)	Balance	
	(32.000 – 5.000) x 20%	5.400
		9.150

2015

Depreciation of Van sold:		€
(13)	6.000 x 20% x 10/12 =	1.000
(14)	6.000 x 20% x 6/12 =	600
		1.600

2015

	Depreciation:	€
(i)	Van sold	600
(ii)	Van bought	
	12.600 x 20% x 6/12	1.260
(iii	(45.000 – 6.000) x 20%	7.800
		9.660

QUESTION 3

The following Trial Balance was extracted from the books of Fenia Clothing Plc:

Trial Balance as at 30 April 2015

Accounts	€ 000	€ 000
Purchases - Sales	160	200
General Reserve		15
Stock at cost, 1 May 2014	27	
Bank Overdraft		8
General Expenses (including Depreciation)	10	
Debtors - Creditors	50	25
Interim Dividend paid	4	
Ordinary Share Capital		100
Fixed Assets (Book Value on 30 April 2015)	102	
Retained Profits 1 May 2014		5
	353	**353**

Notes:

a) The Closing stock on 30 April 2015 was valued at €17.000

b) Corporation Tax should be provided at 10% on the Net Profit for the year

c) A final Ordinary Dividend of 4% is to be provided

d) All Purchases and Sales are on credit.

REQUIRED:

Calculate the following Ratios to two decimal places:

a) Current Ratio **(Marks 2)**

b) Quick Assets Ratio **(Marks 2)**

c) Stock Turnover Ratio **(Marks 2)**

d) Debtors' Ratio (in months) **(Marks 2)**

e) Gross Profit to Sales Ratio **(Marks 3)**

f) Return on Capital Employed Ratio **(Marks 4)**

(Total Marks 15)

QUESTION 3

(a) $\frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{67}{39} = 1.72:1$ or times **(Marks 2)**

(b) $\frac{\text{Current Assets – Stock}}{\text{Current Liabilities}} = \frac{67-17}{39} = 1,28:1$ or times **(Marks 2)**

(c) $\frac{\text{Cost of Sales}}{\text{Average Stock}} = \frac{170}{(27+17)/2} = 7,73$ times **(Marks 2)**

(d) $\frac{\text{Debtors} \times 12}{\text{Sales}} = \frac{50 \times 12}{200} = 3$ months **(Marks 2)**

(e) $\frac{\text{Gross Profit} \times 100}{\text{Sales}} = \frac{30 \times 100}{200} = 15\%$ **(Marks 3)**

(f) $\frac{\text{NP after Tax} \times 100}{\text{Share Capital + Reserves}} = \frac{(20 - 2) \times 100}{130} = 13,85\%$ **(Marks 4)**

(Total Marks 15)

Workings: 1

FENIA CLOTHING LTD
Trading and Profit and Loss and Appropriation Accounts
For the year ended 30 April 2015

	€ 000		€ 000
Cost of Sales	170	Sales	200
Gross Profit	**30**		
	200		**200**
Gen. Expenses + Deprec.	10	Gross Profit	30
Net Profit	**20**		
	30		**30**
Corporation Tax	2	Retained Profit (May 1 2014)	5
Interim Dividents	4	Net Profit	20
Proposed Dividends	4		
Balance c/ d	15		
	25		**25**
		Retained Profit b/d	15

Workings: 2 **Fenia Clothing Plc Balance Sheet as at 30th April 2015**

	€ 000	**€ 000**	**€ 000**	**€ 000**
Fixed Assets (Book Value)				102
Current Assets				
Stock		17		
Debtors		50	67	
Less **Current Liabilities**				
Creditors	25			
Corporation Tax Due	2			
Proposed Dividends	4			
Bank Overdraft	8		(39)	28
Working Capital				**130**
Ordinary Share Capital				100
Reserves				
General Reserve			15	
Retained Earnings			15	30
CAPITAL EMPLOYED				**130**

QUESTION 4

Andreas and Vasilis are partners sharing profits and losses in the proportion of 3:2 respectively:

Andreas & Vasilis

Balance Sheet as at 31 December 2014

Fixed Assets	€	€	**Capital A/cs**	€	€
Land & Buildings	600.000		Andreas	500.000	
Furniture	40.000		Vasilis	300.000	800.000
Motor Van	60.000	700.000	**Current A/cs**		
			Andreas	20.000	
Current Assets			Vasilis	(12.000)	8.000
Stock	100.000		**Long Term Liabilities**		
Debtors	26.000		Loan		20.000
Cash	24.000	150.000	**Current Liabilities**		
			Creditors	18.000	
			Bank Overdraft	4.000	22.000
		850.000			850.000

The partners decided to sell their business into a company.

On 1 January 2015, Ava Plc was formed with an authorized share capital of 800 000 ordinary shares of €3 each and took over all the assets and the liabilities, of Andreas and Vasilis partnership, except cash, motor van, bank overdraft and creditors. Vasilis took over the motor van for €55.000, and assumed responsibility for half amount of the creditors. The rest of the creditors were settled by the partnership for €8.000.

Ava Plc revalued the assets taken over as follows:

	€
Land & Buildings	750.000
Furniture	30.000
Stock	110.000
Debtors	23.400 (difference being provision for bad debts)

The purchase consideration for the sale of the partnership was agreed to €950.000 and it was discharged by a cash payment of €26.000 and the balance by allocating to the partners 280.00 ordinary shares in Ava Plc according to their Profit and Loss Ratio.

In order to finance the purchase of the partnership, Ava Plc issued to the public additional ordinary shares and paid preliminary expenses €2.000

REQUIRED:

Prepare in the books of the partnership the following:

(i) The Realization A/c **(Marks 8)**

(ii) The Ava Plc A/c **(Marks 2)**

(iii) The Partners' Capital A/cs in columnar form **(Marks 6)**

(iv) The Bank A/c **(Marks 2)**

(v) The Creditors A/c **(Marks 2)**

(Total Marks 20)

QUESTION 4

Andreas and Vasilis Books

Realization A/c

	€	€		€
Land and Buildings		600.000	Loan	20.000
Furniture		40.000	Creditors – discount received	1.000
Motor Van		60.000	Capital A/c Vasilis-motor van	55.000
Stock		100.000	Ava Plc – Purchase price	950.000
Debtors		26.000		
Profit on Realization:				
Andreas 200.000 x 3/5	120.000			
Vasilis 200.000 x 2/5	80.000	200.000		
		1.026.000		1.026.000

(Marks 8)

Ava Plc A/c

	€		€
Realization – purchase price	950.000	Bank	26.000
		Shares in Ava Plc	924.000
	950.000		950.000

(Marks 2)

Partners' Capital A/cs

	Andreas	**Vasilis**		**Andreas**	**Vasilis**
Current A/c	-	12.000	B/ces b/d	500.000	300.000
Realization – t. over	-	55.000	Current A/c	20.000	-
Shares in Ava Plc	554.400	369.600	Creditors		9.000
Bank	85.600	-	Profit on Realization	120.000	80.000
			Bank	-	47.600
	640.000	**436.600**		**640.000**	436.600

(Marks 6)

Bank A/c

	€		€
Cash	24.000	B/ce b/d	4.000
Ava Plc	26.000	Creditors	8.000
Capital A/c Vasilis	47.600	Capital A/c Andreas	85.600
	97.600		97.600

(Marks 2)

Creditors A/c

	€		€
Capital A/c Vasilis	9.000	B/ce b/d	18.000
Bank	8.000		
Realization – discount received	1.000		
	18.000		18.000

(Marks 2)
(Total Marks 20)

QUESTION 5

Denia Plc was incorporated in 2015 with an Authorized Share Capital of 100 000 Ordinary Shares of €2 each. During the year of the incorporation 60 000 Shares were issued and fully paid at a premium of €0,50 per share.

On 1st Jan 2016, the company decided to offer the remaining shares to the public at a premium €0,50 payable as follows:

	€
On Application	0,50
On Allotment	1,50 (Including the premium)
On First Call	0,30
On Second and Final Call	?

Applications were received for 114 000 shares and were dealt with, as follows on 15th January:

Applicants for 2 000 shares were satisfied in full
Applicants for 16 000 shares were allotted 1 share for every 2 applied for
Applicants for 44 000 shares were allotted 10 shares for every 44 applied for
Applicants for 50 000 shares were allotted 20 shares for every 50 shares applied for

Any excess application money is to be applied towards amount due on allotment, while those applicants who have got no allotment had their application money refunded.

All allotment monies received in full but when the first call was asked on 15th on February one shareholder of 500 shares failed to pay while another shareholder of 100 shares paid them in full.

When the second call was asked, one month later, all shareholders paid their obligations except the above mentioned one who held 500 shares.

REQUIRED:

Make the necessary Journal entries in the books of Denia Plc to record the above transactions.

(Total Marks 20)

(GRAND TOTAL MARKS 100)

THE END

QUESTION 5

Denia Plc
Journal Entries

	Dr €	Cr €
Bank (Application money)	57.000	
Application and Allotment (114 000 x €0,50)		57.000
Application and Allotment	80.000	
(40 000 x €1,50) Ordinary Share Capital		60.000
(40 000 x €0,50) Share Premium		20.000
Application and Allotment (2 000 x €0.5)	1.000	
Bank - Refund		1.000
Bank (Allotment Money)	24.000	
Application and Allotment (40 000 x €1,50) – (72 000 x €0,50)		24.000
First Call (40 000 x €0.30)	12.000	
Ordinary Share Capital		12.000
Bank (40 000 x €0.30) – 500 x €0.30	11.850	
Calls in arrear (500 x €0.30)	150	
First Call		12.000
Bank (100 x €0.20)	20	
Calls in advance		20
Second and Final Call (40 000 x €0.20)	8.000	
Ordinary Share Capital		8.000
Calls in advance	20	
Bank (40 000 x €0,20)–(500 x €0.20)–(100 x €0,20)	7.880	
Calls in arrear (500 x €0.20)	100	
Second and Final Call		8.000

(Marks 20)

Workings:

		Ord. Shares	€
1.	Authorized Capital	100 000 X € 2	= 200.000
	Issued Shares	60 000 X € 2.5	= 150.000
	Shares to be Issued	40 000 X € 2.5	= 100.000
			€
2.	On Application	40 000 X € 0.5	= 20.000
	On Allotment	40 000 X € 1.0	= 40.000
	Share Premium	40 000 X € 0.5	= 20.000
	First Call	40 000 X € 0.30	= 12.000
	Second Call	40 000 X € 0.20	= 8.000
		€ 2.5	100.000

3. Amount received on Application 114 000 X €0.5 = €57.000

4. Allocation of Shares

2 000 applicants get nil shares ➔ 2 000 X €0.5 = €1.000 Refunded

2 000	applicants get	2 000 shares
16 000	applicants get	8 000 shares
44 000	applicants get	10 000 shares
50 000	applicants get	20 000 shares
114 000		40 000

5. Amount payable on allotment 40 000 X €1.5 = €60.000
   Less overpayment [(114 000-40 000)-2 000] X 0.5 = €36.000
   € 24.000

6. Calls in arrear 500 X €0.30 = €150 1st Call
7. Calls in arrear 500 X €0.20 = €100 2nd Call
   Calls in advance 100 X €0.20 = € 20

8. Amount received on First Call 40 000 X €0.30 = € 12.000
   Less Calls in arrear € 150
   € 11.850

9. Amount received on Second Call 40 000 X €0.20 = €8.000
   Less (Calls in arrear €100 + Calls in advance €20) € 120
   €7.880

(GRAND TOTAL MARKS 100)