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 1

Exercise 1

(a) Gross Profit Ratio = $\frac{\text{Gross Profit} \times 100}{\text{Net Sales}} = \frac{115.800 \times 100}{(50.200+194.800)-2.000}$ = **47.65% (Marks1)**

(b) **Working Capital Ratio** = $\frac{\text{Current Assets}}{\text{Current liability}} = \frac{\text{Stock+ debtors+ bank+ cash}}{\text{Creditors+ corp. tax+ prop. dividend.}}$

= $\frac{58.300 + 14.900 + 23,700}{17.400 + 15.000 + 21.000 + 4.000}$

= $\frac{96.900}{57.400}$ = 1**.69:1** **(Marks1)**

(c) Debtors Ratio (days) = $\frac{\text{Debtors} \times 365}{\text{Credit Sales (net)}} = \frac{14.900 \times 365}{194.800 - 2.000}$ = **28.2 or 28 days**

(Marks1)

(d) Creditors Ratio (days) = $\frac{\text{creditors} \times 365}{\text{credit purchases}} = \frac{17.400 \times 365}{125.000}$ = **50.8 or 51 days**

(Marks1)

(e) Stock turnover Ratio = $\frac{\text{*cost of sale}}{\text{average stock}} = \frac{127.200}{(60.500+58.300)/2}$ = **2.14 times**

***** Opening Stock + purchase – closing stock = 60.500 + 125.000 - 58.300 = **127.200**

OR Sales – Gross Profit = (50.200 + 194.800 – 2.000) – 115.800 = **127.200**

(Marks2)

Exercise 2

(a) Machinery account

2012		€	2012		€
Jan. 1	B/ce b/d	144.000	Dec. 31	B/ce c/d	164.000
March 31	Bank	20.000			
		164.000			164.000
2013			2013		
Jan. 1	B/ce b/d	164.000	Oct. 31	Disposal	17.400
April 30	SILVER Ltd (2X21.000)	42.000	Dec. 31	B/ce c/d	188.600
		206.000			206.000
2014					
Jan. 1	B/ce b/d	188.600			

(Marks 6)

(b) Provision for depreciation of Machinery account

2012		€	2012		€
Dec. 31	B/ce c/d	73.800	Jan. 1	B/ce b/d	42.000
			Dec. 31	P&L – Depn (w1)	31.800
		73.800			73.800
2013			2013		
Oct. 31	Disposal (w3)	15.660	Jan. 1	B/ce b/d	73.800
Dec. 31	B/ce c/d	95.960	Dec. 31	P&L – Depn (w2)	37.820
		111.620			111.620
			2014		
			Jan. 1	B/ce b/d	95.960

(Marks 6)

(c) Disposal account

2013		€	2013		€
Oct. 31	Machinery	17.400	Oct. 31	Bank	3.340
Dec. 31	Profit on Disposal	1.600	Oct. 31	Prov. For Dep`n	15.660
		19.000			19.000

(Marks2)

(W1)
2012
144.000 x 20% = 28.800
20.000 x 20% x 9/12 = 3.000
31.800

(W2)
2013
(164.000 – 17.400) = 146.600 x 20% = 29.320
17.400 x 20% x 10/12 = 2.900
42.000 x 20% x 8/12 = 5.600
37.820

(W3)
2013 Disposal
17.400 x 20% x 54/12 = 15.660

(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 2

1) Books of the partnership

(a) Realisation A/C

Land and Buildings		332.000	Creditors	68.000
Furniture and Fittings		28.000	Lima P/c (W1)	549.200
Stock		178.000		
Debtors		30.400		
Cash-Realisation Exp		2.000		
Profit on Realisation: Capital A/cs: Flora (46.800x3/5) Nora (46.800x2/5)	 28.080 18.720	 46.800		
		617.200		617.200

(Marks 4)

(b) Partners' Capital A/cs

	Flora	Nora		Flora	Nora
Current A/c	-	6.000	B/ce b/d	300.000	200.000
Shares in Lima Plc	288.000	192.000	Current A/c	18.000	-
Cash	58.080	20.720	Realization – Profit	28.080	18.720
	346.080	218.720		346.080	218.720

(Marks 2)

(c) Lima Plc A/c

Realisation	549.200	Shares in Lima Plc 800.000x[0.50+(0.50x20%)]	480.000
		Cash (549.200 – 480.000)	69.200
	549.200		549.200

(Marks 2)

(d) Shares in Lima Plc A/c

Lima Plc	480.000	Capital A/cs: Flora (480.000x3/5) Nora (480.000x2/5)	 288.000 192.000
	480.000		480.000

(Marks 2)

(e) Cash A/c

B/ce b/d	11.600	Realization – expenses	2.000
Lima Plc	69.200	Capital Flora	58.080
		Capital Nora	20.720
	80.800		80.800

(Marks 2)

2) Books of LIMA Plc

(a) Cash A/c

Ordinary Shareholders (320.000x€0.60)	192.000	Flora & Nora	69.200
Debenture holders (24.000x€9.50)	228.000	Preliminary expenses	8.000
		B/ce c/d	342.800
	420.000		420.000
B/ce b/d	342.800		

(Marks 4)

(b) Share Premium A/c

Preliminary Expenses	8.000	Flora & Nora (800.000x €0.10)	80.000
Debenture Discount (24.000 bonds x 0.50)	12.000	Ordinary Shareholders (320.000x€0.10)	32.000
B/ce c/d	92.000		
	112.000		112.000
		B/ce b/d	92.000

(Marks 4)

Workings

(W1) Calculation of Purchase Price

	€	€
Assets taken over: Land & Buildings	360.000	
Furniture & Fittings	28.000	
Stock	168.000	
Debtors	30.400	
Goodwill	32.000	618.400
Less Liabilities undertaken: Provision for Bad Debts	(1.200)	
Creditors	(68.000)	(69.200)
PURCHASE PRICE		€549.200

(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 3

Workings:
Shares to be issued: 250.000 Ordinary Shares of €2 each at a premium 10%

Selling Price 2 + (2 X 10%) = €2,20

Application	250.000 X 0,50 = 125.000
Allotment	250.000 X 0,70 = 175.000
Share Premium	250.000 X 0,20 = 50.000
First Call	250.000 X 0,60 = 150.000
Second and final Call	250.000 X 0,20 = 50.000
	€ 2,20 550.000

- **Application money Received**: 350.000 shares X 0.50 = **€175.000**

(350.000) Applicants	**(250.000) Shares allotted**	
50.000	0	**Money Refund**: 50.000 X 0,50 = **€25.000**
300.000	250.000	Overpayment/Money against allotment 50.000 X 0,50 =€25.000 => **B/ce of Allotment**: 225.000 – 25.000 = **€200.000**
350.000	250.000	

- **Calls in Arrear**: 2.500 X 0,60 = **€1.500 (First Call)**
- **Calls in Advance**: 3.000 X 0,20 = **€600 (Final Call)**
- **Calls in Arrear**: 2.500 X 0,20 = **€500 (Final Call)**

1. Books of OLIVE Plc

Journal

Application & Allotment (€125.000+€175.000+€50.000) Ordinary Share Capital (€125.000+€175.000) Share Premium (250.000 x 0.20)	350.000	 300.000 50.000
Bank (Applic. Money received: 350.000 X 0,50) Application & Allotment	175.000	 175.000
Application & Allotment Bank (money returned: €50.000 X 0,50)	25.000	 25.000
Bank (B/ce of Allotment: €225.000 - €25.000) Application & Allotment	200.000	 200.000
First Call (250.000 X 0,60) Ordinary Share Capital	150.000	 150.000
Bank (€150.000 - €1.500) Calls in Arrear (2.500 X 0,60) First Call	148.500 1.500	 150.000
Bank (3.000 X 0,20) Calls in Advance (300.000 X 0,20)	600	 600
Final Call (250.000 X 0,20) Ordinary Share Capital	50.000	 50.000
Bank (50.000 – 600 – 500) Calls in Arrear (2.500 X 0,20) Call in Advance Final Call	48.900 500 600	 50.000

(Marks 15)

2.

(a)

Application & Allotment A/c

Ordinary Share Capital	300.00	Bank (Applic. Money received)	175.000
Share premium	50.000	Bank (B/ce of Allotment)	200.000
Bank (money refunded)	25.000		
	375.000		375.000

(Marks 2,5)

(b)

Ordinary Share Capital A/c

B/ce c/d	800.000	B/ce b/d (150.000 X €2)	300.000
		Application & Allotment	300.000
		First Call	150.000
		Final Call	50.000
	800.000		800.000
		b/e b/d	800.000

(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 4

(a)

PAPHOS Plc
Profit & Loss and Appropriation A/c For the year ended 31 December 2013

	€	€	€
Gross Profit			450.000
Add Additional Income:			
Profit on disposal		3.000	
Provision for Bad Debts		2.120	
Interest on investment (Receivable) (360.000 X 10%)		36.000	41.120
			491.120
Less Expenses :			
Bad Debts (8.000 + 2.000)		10.000	
Auditors´ Fees		24.000	
Salaries (160.000 – 12.000)		148.000	
Directors remuneration		50.000	
Debenture Interest	3.000		
Add Due (400.000 x 6%) – 3.000	9.000	12.000	
Depn on : Del. Van (100.000 – 40.000) X 20%	12.000		
F + F (160.000 X 10%)	16.000	28.000	(272.000)
Net Profit before tax			**219.120**
Less Corporation Tax (219.120 X 10%)			(21.912)
Net Profit after tax			**197.208**
Less Appropriations:			
Goodwill written off		12.000	
Transfer to General Reserve		32.000	
Interim Dividends:			
7% Preference Shares	15.000		
Ordinary Shares	12.000	27.000	
Proposed Dividends:			
Preference Shares (7% X 500.000) – 15.000	20.000		
Ordinary Shares (1.400.000/5) X €0.10	28.000	48.000	(119.000)
Retained Profit for the year			78.208
Retained Loss b/f			(5.000)
Retained Profit c/d			73.208

(Marks 10)

OR Alternative Solution

PAPHOS PLC
Profit & Loss and Appropriation A/c for the year ended 31

	€	€		€	€
Bad Debts (8.000 + 2.000)		10.000	Gross Profit		450.000
Auditor Fees		24.000	Profit on Disposal	3.000	
Salaries	160.000		Prov. for Bad Debts	2.120	
Less Prepaid	12.000	148.000	Interest on Invest. (Receivable)	36.000	41.120
Director Remuneration		50.000			
Debenture Interest	3.000				
Add Due (400.000 x 6%) – 3.000	9.000	12.000			
Dep on: Del. Van	12.000				
Furniture	16.000	28.000			
Net Profit		219.120			
		491.120			491.120
Retained Loss b/f		5.000	Net Profit b/d		219.120
Corporation Tax		21.912			
Goodwill written off		12.000			
Transfer to Gen. Reserves		32.000			
Interim Dividend:					
7% Pref. Shares	15.000				
Ordinary Shares	12.000	27.000			
Proposed Dividend:					
7% Pref. Shares	20.000				
Ordinary Shares	28.000	48.000			
Retained Profit c/d		73.208			
		219.120			219.120

(Marks 10)

(b)

Balance Sheet of Paphos Plc
As at 31 December 2013

FIXED ASSETS	**COST**	**DEPN**	**N.B.V.**
	€	**€**	**€**
Intangible Assets			
Goodwill	116.000	12.000	104.000
Tangible Assets			
Freehold Property	1.752.000	-	1.752.000
Furniture & fittings	160.000	48.000	112.000
Delivery van	100.000	52.000	48.000
	2.128.000	112.000	2.016.000
Investment			360.000
CURRENT ASSETS			
Stock		60.000	
Debtors (300.000 – 2.000)	298.000		
Less Provision for bad debts	(17.880)	280.120	
Bank		85.000	
Salaries prepaid		12.000	
Interest on investment Receivable		36.000	
		473.120	
Less Current Liabilities			
Creditors	140.000		
Corporation Tax	21.912		
Proposed Dividend (20.000 +28.000)	48.000		
Debenture interest due	9.000		
Carriage inwards due	5.000	223.912	
Working Capital – Net Current Assets			249.208
Total Assets less Current Liabilities			**2.625.208**
SHARE CAPITAL		Authorised	Issued
Ord. Shares of €5 each		4.000.000	1.400.000
7% Pref. Shares of €2 each		600.000	500.000
		4.600.000	1.900.000
RESERVES			
General Reserve (220.000 + 32.000)			252.000
Profit & Loss a/c			73.208
LONG TERM LIABILITIES			
6% Debentures			400.000
Total Capital Employed			**2.625.208**

(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)

--- THE END ---

Question 5

(1) Revaluation A/c

	€	€		€
Plant & Machinery		34.000	Office Furniture	40.000
Profit on Revaluation:			Motor vehicle	50.000
Capital L 3/6	90.000		Stock	4.000
Capital M 2/6	60.000		Goodwill	120.000
Capital N 1/6	30.000	180.000		
		214.000		214.000

(Marks 7,5)

(2) Goodwill A/c

	€		€
Revaluation	120.000	Capital L 5/10	60.000
		Capital M 3/10	36.000
		Capital F 2/10	24.000
	120.000		120.000

(Marks 3,5)

(3) Partners' capital A/c

	L	M	N	F		L	M	N	F
Current a/c	---	---	20.000	---	B/ce b/d	240.000	160.000	80.000	---
M. Van	---	---	32.000	---	Cash	---	---	---	60.000
Bank	---	---	29.000	---	Motor van	---	---	---	20.000
Loan	---	---	29.000	---	Profit on Reval.	90.000	60.000	30.000	---
Goodwill	60.000	36.000	---	24.000					
B/ce c/d	270.000	184.000	---	56.000					
	330.000	220.000	110.000	80.000		330.000	220.000	110.000	80.000
					B/ce b/d	270.000	184.000	---	56.000

(Marks 9)

OR Alternative Solution

(1) Revaluation A/c

	€	€		€
Plant & Machinery		34.000	Office Furniture	40.000
Profit on Revaluation:			Motor vehicle	50.000
Capital L 3/6	30.000		Stock	4.000
Capital M 2/6	20.000			
Capital N 1/6	10.000	60.000		
		94.000		94.000

(Marks 7,5)

(2) Goodwill A/c

	€		€
Capital L 3/6	60.000	Capital L 5/10	60.000
Capital M 2/6	40.000	Capital M 3/10	36.000
Capital N 1/6	20.000	Capital F 2/10	24.000
	120.000		120.000

(Marks 3,5)

(3) Partners' capital A/c

	L	M	N	F		L	M	N	F
Current a/c	---	---	20.000	---	B/ce b/d	240.000	160.000	80.000	---
M. Van	---	---	32.000	---	Cash	---	---	---	60.000
Bank	---	---	29.000	---	Motor van	---	---	---	20.000
Loan	---	---	29.000	---	Profit on Reval.	30.000	20.000	10.000	---
Goodwill	60.000	36.000	---	24.000	Goodwill	60.000	40.000	20.000	---
B/ce c/d	270.000	184.000	---	56.000					
	330.000	220.000	110.000	80.000		330.000	220.000	110.000	80.000
					B/ce b/d	270.000	184.000	---	56.000

(Marks 9)

(Total Marks 20)