

**ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ, ΠΟΛΙΤΙΣΜΟΥ,  
ΑΘΛΗΤΙΣΜΟΥ ΚΑΙ ΝΕΟΛΑΙΑΣ  
ΔΙΕΥΘΥΝΣΗ ΑΝΩΤΕΡΗΣ ΕΚΠΑΙΔΕΥΣΗΣ  
ΥΠΗΡΕΣΙΑ ΕΞΕΤΑΣΕΩΝ**

**ΓΡΑΠΤΕΣ ΕΞΕΤΑΣΕΙΣ ΓΙΑ ΕΓΓΡΑΦΗ ΚΑΙ ΚΑΤΑΤΑΞΗ  
ΣΤΟΥΣ ΠΙΝΑΚΕΣ ΔΙΟΡΙΣΙΜΩΝ 2019**

**Εξεταζόμενο μάθημα: ΛΟΓΙΣΤΙΚΗ (525)**

**ΜΕΡΟΣ Α (35 Μονάδες)**

**Ημερομηνία και ώρα εξέτασης: Τετάρτη, 20 Νοεμβρίου 2019  
15:30 - 18:30**

**ΤΟ ΕΞΕΤΑΣΤΙΚΟ ΔΟΚΙΜΙΟ ΑΠΟΤΕΛΕΙΤΑΙ ΑΠΟ ΔΕΚΑΤΕΣΣΕΡΕΙΣ (14) ΣΕΛΙΔΕΣ**

**ΟΔΗΓΙΕΣ:**

- Να απαντήσετε σε όλες τις ερωτήσεις.
- Οι απαντήσεις να δοθούν στο **παρόν βιβλιάριο (booklet)**, το οποίο **απαραιτήτως να επιστραφεί**.
- Όλοι οι υπολογισμοί πρέπει να φαίνονται καθαρά στο βιβλιάριο σας.
- Επιτρέπεται η χρήση μη προγραμματιζόμενης υπολογιστικής μηχανής.
- Δεν επιτρέπεται η χρήση διορθωτικού υγρού/ταινίας.
- Το βιβλιάριο (booklet) περιλαμβάνει δύο (2) επιπρόσθετες σελίδες για απαντήσεις (όπου χρειάζεται) και μία (1) σελίδα για πρόχειρο.

### QUESTION 1

The following ledger account was recorded in the books of Vergina Traders at 31 March 2019.

Pavlos Account

2019		€	2019		€
Mar 1	Balance b/d	8.000	Mar 5	Bank	7.840
Mar 5	Discount allowed	160	Mar 11	Return inwards	270
Mar 17	Sales revenue	4.000	Mar 31	Balance c/d	7.450
Mar 20	Sales revenue	3.400			
		<u>15.560</u>			<u>15.560</u>
April 1	Balance b/d	7.450			

On inspecting of the books, the following errors were discovered in the account of Pavlos:

1. On 5 March Pavlos had paid the balance of his account and had deducted 2% cash discount which had been credited to the discount allowed account.
2. The return inwards recorded on 11 March were correctly recorded in the Return Inwards account as €720 but were recorded in Pavlos' Account as €270.
3. The sales recorded on 20 March were sales made to Palma and Co, which had been incorrectly posted to the account of Pavlos.

#### Required:

(a) Update the Account of Pavlos, in the books of Vergina Traders, taking into consideration the correction of errors 1 to 3 above. (3 marks)

(b) Name and explain two (2) type of errors, which do not affect the trial balance agreement of a business. (Να αναφέρετε και να εξηγήσετε δύο (2) είδη λαθών, τα οποία δεν επηρεάζουν την αριθμητική ισότητα του Ισοζυγίου μιας επιχείρησης) (2 marks)

**Total: 5 marks**



## QUESTION 2

The following is the extract of Sergio's trial balance as at 31 December 2018:

	DR	CR
	€	€
Buildings	720.000	
Buildings: Accumulated depreciation - 1 January 2018		120.000
Trade receivables	51.600	
Allowance for receivables (Allowance for doubtful debts)		3.800
Irrecoverable debts	3.600	

The following notes, for the year ended 31 December 2018, are provided:

1. On 31 March 2018 the business acquired new buildings at a cost of €220.000. Buildings are depreciated at 2% per annum on a straight line basis for each month of ownership.
2. Additional irrecoverable debts of €6.200 were discovered at the year end. It has been decided to make an allowance for receivables of 5% on the adjusted receivables at the year end.

**Using the above information, answer the following questions (a) and (b):**

- (a) Calculate (i) the depreciation charge for buildings for the year and (ii) the carrying value (net book value) at the year-end. (2 marks)
- (b) Calculate (i) the irrecoverable debts and the allowance for receivables charge for the year and (ii) the closing Net trade receivables' balance. (3 marks)

**Total: 5 marks**



### QUESTION 3

Daphne, an accounting teacher, gave to her students the following information in a test on the Statement of Cash Flow:

	€
Operating Profit (Profit before Tax)	90.000
Depreciation charge for the year	34.000
Increase in Inventories	4.000
Increase in trade receivables	30.000
Sale of shares in other companies	10.000
Irredeemable Preference share dividend paid	7.000
Ordinary share Dividend paid	33.000
New issue of ordinary shares	60.000
Proceeds of sale of non-current assets	10.000
Purchase of non-current assets	90.000
Taxation paid	25.000
Increase in trade payables	20.000
Interest paid	6.000

Marios, a student, in his attempt to calculate the Net Cash Flow from operating activities, gave the following answer:

	€
Profit before tax	90.000
Depreciation charges	(34.000)
Increase in trade receivables	30.000
Increase in inventories	(4.000)
Increase in trade payables	20.000
Net Cash Flow from operating activities	<u>102.000</u>

The following comments of the above answer have been made by the some other students in class:

1. Depreciation charges should have been added, not deducted
2. Increase in inventories should have been added, not deducted.
3. Increase in trade payables should have been deducted, not added.
4. Increase in trade receivables should have been deducted, not added.

**Required:**

(a) Choose and circle the correct answer (1 mark)

- A. 2 and 3 only
- B. 1 and 4 only
- C. 1 and 3 only
- D. 2 and 4 only

(b) Using the information given by Daphne to her students, you are asked to calculate the Net Cash Flow from Investing Activities. (2 marks)

(c) Explain to your students the difference between the terms **Cash** and **Profits** (Να εξηγήσετε στους μαθητές σας τη διαφορά μεταξύ των όρων Μετρητά και Κέρδη) (Up to 60 words) (2 marks)

**Total: 5 marks**

**Answer space for Question 3 (b) and (c)**

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#### QUESTION 4

Sugar Free Ltd is considering to invest €100.000 in order to expand its cafeteria capacity. The project will last for four (4) years and the cost of capital is 10%. It has a choice of two Options. The following information is provided for Option 1.

**Option 1:**

- Payback period: 3,5 years
- Accounting Rate of Return (ARR): 9%

For **Option 2**, the following information is provided:

It is estimated that the net cash flows at the end of year 1 will be €40.000, €35.000 at the end of year 2, €33.000 at the end of year 3, and €37.000 at the end of year 4. The resale value is NIL.

**Required:**

(a) Calculate the payback period for Option 2. (1 mark)

(b) Calculate the Accounting Rate of Return (ARR) for Option 2. (2 marks)

(c) Suggest which option should be chosen by Sugar Free Ltd, explaining your answer (up to 70 words). *(Να εισηγηθείτε ποια επιλογή θα προτιμηθεί από την εταιρεία Sugar Free Ltd, τεκμηριώνοντας την απάντησή σας)* (2 marks)

**Total: 5 marks**

**Answer space for Question 4**

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## QUESTION 5

You are an accounting teacher at Cyprus Public Lyceum and you are given the following Statement of Changes in Equity.

### Vergina Plc Statement of Changes in Equity for the year ended 31 December 2018

	Share Capital* €	Share Premium €	General Reserve €	Revaluation Reserve €	Retained Earnings €	Total €
Balance at start	400.000	40.000	60.000		95.000	595.000
Issue of shares	160.000	96.000				256.000
Land Revaluation				20.000		20.000
Profit for the year					114.500	114.500
Dividends paid**					(40.000)	(40.000)
Transfer to general reserve			10.000		(10.000)	
Balance at end	560.000	136.000	70.000	20.000	159.500	945.500

Notes:

\* Ordinary shares of nominal value €0,50 each

\*\*The new shares were ***not*** eligible for the dividend payment

#### Required:

1. Calculate the following (show your workings): (3 marks)
  - (a) The number of new shares issued during the year
  - (b) The issue price per share
  - (c) The dividend paid per share
  
2. Show the journal entry regarding the Land revaluation. (2 marks)

**Total: 5 marks**

**Answer space for Question 5**

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## QUESTION 6

The following data is given by Mr. Petros, an accounting teacher, to his students in order to test their understanding on the topic of breakeven analysis:

*The “Tiger Prawn”, a famous restaurant, has a capacity of 50 customers per day, and opens for 360 days in the year. (Assume that the restaurant works on full capacity)*

*The following information relates to cost and revenue:*

- *Each customer spends an average of €30 on a meal.*
- *Variable cost represents one third of an average meal price.*
- *There are five employees who are each paid €40.000 salary per annum.*
- *Other cost includes: Premises annual depreciation €25.000, Other fixed costs amount to a total of €25.000 per annum*

### Required:

- (a) Calculate the number of meals which must be sold for the business to break even, as the students were required to do. (3 marks)
- (b) Eleni, a student, has difficulties in calculating and understanding the importance of Margin of Safety for the business. You are asked to calculate the Margin of Safety of the above question and explain its meaning to Eleni. *(Μια μαθήτριά, η Ελένη, έχει δυσκολίες στον υπολογισμό και στη κατανόηση του Περιθωρίου Ασφαλείας. Να υπολογίσετε το Περιθώριο Ασφαλείας της πιο πάνω άσκησης και να εξηγήσετε στην Ελένη την έννοια του).* (2 marks)

**Total: 5 marks**

### Answer space for Question 6

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## QUESTION 7

### MULTIPLE CHOICE (M/C) QUESTIONS:

**Choose and circle the correct answer in the questions 1 to 5 below:**

1. Sales in the year ending 31st March 2019 were €43,200. Identify the gross profit ratio, as a percentage if: Opening inventory, purchases, carriage inwards and closing inventory were €4,400, €21,400, €1,200 and €5,400 respectively.

- A. 40%
- B. 50%
- C. 33%
- D. 100%

2. Which of the following best explains the term Prime Cost?

- A. The total cost of all the most important costs
- B. The total of all the direct materials costs and all of the direct labour costs
- C. The total of all the direct material costs, all of the direct labour costs and all other direct expenses
- D. The total of all the direct costs and all of the manufacturing overhead

3. Capital Expenditure is defined as:

- A. The extra capital paid in by the owner
- B. The cost of running the business on a day-to-day basis
- C. Money spent on buying non-current assets or adding value to them
- D. Money spent on selling non-current assets

4. Which of the following are not true? A Bank Reconciliation Statement is:

- i. Part of the double entry system
  - ii. Not part of the double entry system
  - iii. Sent by the firm to the bank
  - iv. Posted to the ledger accounts
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- A. (i), (iii) and (iv)
  - B. (i) and (ii)
  - C. (i), (ii) and (iv)
  - D. (ii), (iii) and (iv)

5. Red Rose, a manufacturer of cosmetics, has decided to repackage a slow moving product, in a new cover and sell it at a special offer. The details are given below:

	<u>Per item</u>
Cost of manufacture	€3,50
Repackaging cost to be incurred	€1,75
Selling price (Special offer)	€4,00

At what amount should each item be included in inventory?

- A. €4,00
- B. €3,70
- C. €2,25
- D. €2,95

(1 mark for each question)

**Total: 5 marks**

**(TOTAL MARKS 35)**

**ΤΕΛΟΣ ΜΕΡΟΥΣ Α**







