

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

**ΠΑΓΚΥΠΡΙΕΣ ΕΞΕΤΑΣΕΙΣ 2020**

**ΜΑΘΗΜΑ: ΛΟΓΙΣΤΙΚΗ (25)**

**ΗΜΕΡΟΜΗΝΙΑ ΚΑΙ ΩΡΑ: Παρασκευή, 26 Ιουνίου 2020**

**08:00 - 11:00**

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

**ΟΔΗΓΙΕΣ:**

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

## QUESTION 1

Cyberstorm Plc manufactures and sells bed foam mattresses. It also imports feather mattresses to meet the needs of local customers.

The following balances were extracted from the books of Cyberstorm Plc on 31 December 2019:

Inventory was valued at:	1 January 2019	31 December 2019	
	€	€	€
Raw materials	220.000	110.000	
Work in progress	30.000	92.000	
Finished goods	194.000	181.000	
Purchases of raw materials			4.372.000
Purchases of imported goods			1.500.000
Sales of finished goods			9.890.000
Administration salaries			910.000
Factory wages - direct			491.000
indirect			240.000
Manufacturing royalties			15.000
Rent and rates			400.000
Carriage outwards			82.000
Electricity			180.000
Carriage inwards of raw materials			58.000
Carriage inwards of finished goods			4.000
Repairs to machinery			18.000
Office equipment at cost			385.000
Plant and machinery at cost			980.000

### Additional information at 31 December 2019:

1. Administrative salaries included an amount of €100.000 paid to the factory manager
2. Electricity was to be apportioned as follows:
  - i. Factory 75%
  - ii. Office 25%

3. Rent paid in advance was €5.000. Rent and rates were apportioned between the factory and office based on the floor area occupied:
- Manufacturing 4 000 sq. ft.
  - Office 1 000 sq. ft.
4. Depreciation was to be provided for:
- |                     |             |
|---------------------|-------------|
| Plant and machinery | 15% on cost |
| Office equipment    | 20% on cost |

**REQUIRED:**

- (a) i.** Prepare the Manufacturing Account for the year ended 31 December 2019  
**(Marks 12)**
- ii.** Calculate the production cost of each unit of finished goods, assuming that Cyberstorm Plc had produced 29 700 mattresses during the year  
**(Mark 1)**
- (b)** Prepare the Income Statement for the year ended 31 December 2019.  
**(Marks 7)**
- (Total Marks 20)**

## QUESTION 2

### Part A

Pink Rose, a cosmetics importer, deals in only one product. Opening inventory on 1 June 2019, comprised 100 items which had cost €2,00 each. Purchases and Sales for the month of June 2019, were as follows:

		Units	€
3 June	Purchases	400	2,10
4 June	Sales	200	4,00
9 June	Purchases	300	2,12
11 June	Sales	400	4,00
18 June	Purchases	100	2,40
20 June	Sales	100	4,00

### REQUIRED:

(a) How would the closing inventory be valued using each of the following methods?

- i. The 'first in, first out' method (FIFO) **(Marks 2)**
- ii. The 'last in, first out' method (LIFO) **(Marks 2)**
- iii. The weighted average cost (AVCO) **(Marks 4)**

(Calculations to be shown to the nearest two decimal places)

**Use the periodic inventory system for each calculation.**

(b) Pink Rose uses the AVCO (*perpetual*) method for valuing its inventory

**REQUIRED:** Calculate the value of the closing inventory at 30 June 2019 **(Marks 8)**

(Calculations to be shown to the nearest two decimal places).

### Part B

Marcello Ltd deals in only one product. The closing inventory at 31 December 2019 consisted of 1 000 units which cost €50 each. You are informed that 200 units, included in the closing inventory, were damaged during a flood. These can be repackaged and sold at a special offer as follows:

Repackaging cost per unit to be incurred	€5
Selling price (special offer)	€53

### REQUIRED:

(a) Calculate the value of the closing inventory based on the information given above **(Marks 2)**

(b) Να ονομάσετε και να εξηγήσετε τον Κανόνα που εφαρμόσατε για τον υπολογισμό του τελικού αποθέματος στο ερώτημα (a) πιο πάνω

(Name and explain the Rule applied for the calculation of the closing inventory in part (a) above) **(Marks2)**

**(Total Marks 20)**

### QUESTION 3

The following balances were extracted from the books of Vergina Mega Stores at 31 December 2019:

	<b>Dr</b>	<b>Cr</b>
	<b>€</b>	<b>€</b>
Share capital - ordinary shares of €2,00 each		1.000.000
Retained earnings at 1 January 2019		185.000
Share premium		30.000
Land and buildings (Land €400.000)	750.000	
Buildings – accumulated depreciation		105.000
Delivery vehicles at cost	60.000	
Delivery vehicles – accumulated depreciation		24.000
Office equipment – at cost	600.000	
Office equipment – accumulated depreciation		60.000
Bank	201.000	
Dividends paid	30.000	
Warehouse expenses	48.000	
Trade receivables	360.000	
Trade payables		384.000
Inventory at 1 January 2019	300.000	
Revenue		1.790.000
Purchases	1.080.000	
Salaries and wages	300.000	
Heat and light	30.000	
Auditors' remuneration	15.000	
Allowance for irrecoverable debts		20.000
Irrecoverable debts	8.000	
Bank loan interest	6.000	
Delivery vehicle expenses	10.000	
6% Bank loan		200.000
	<b>3.798.000</b>	<b>3.798.000</b>

**Additional information:**

- a) Inventory at 31 December 2019 was valued at €270.000
- b) On 1 November 2019 a delivery vehicle which cost €10.000 and accumulated depreciation to date of €7.600, was sold for €5.000. This transaction has not yet been recorded in the books  
A full year's depreciation is charged in the year of acquisition but none in the year of disposal
- c) Auditor's remuneration of €8.000 is due
- d) 75% of salaries relate to delivery, marketing and sales staff
- e) Heat and light were shared between administration expenses and distribution costs in the ratio of 70% and 30% respectively
- f) The allowance for irrecoverable debts is to be maintained at the rate of 6% of trade receivables
- g) The interest on the 6% Bank loan for the second half of the year was outstanding
- h) Corporation tax on profits is estimated to be €47.000
- i) Depreciation is to be charged as follows:

<b>Non-Current Assets</b>	<b>Method</b>	<b>Apportionment /Adjustments</b>
Delivery vehicles	25% straight line	
Office equipment	15% reducing balance	
Buildings	5% straight line	Administration 80% Distribution 20%
Land	Land is not depreciated	

**REQUIRED:**

Prepare the Statement of Profit or Loss for the year ended 31 December 2019 in line with the International Accounting Standard (IAS) 1.

**(Total Marks 20)**

#### QUESTION 4

The following balances appeared in the books of Asklipios Plc after the preparation of the statement of Profit or Loss for the year ended 31 December 2019:

	€
Share capital – ordinary shares of €1,00 each	250.000
8% Loan notes (repayable 2025)	40.000
Share premium	20.000
Retained earnings at 1 January 2019	85.000
Property, plant and equipment - cost	430.000
Accumulated depreciation	48.000
Inventory	55.200
Trade receivables	24.800
Trade payables	14.500
Other receivables	1.000
Other payables	2.500
Interim dividend	11.500
Bank (Cr)	2.000

The company's Statement of Profit or loss had been prepared and revealed a **net profit of €60.500**.

The following transactions took place during the year although **they have not yet been accounted** for:

1. On 31 July the company made a 3 for 5 rights issue at €1,20 in order to take advantage of a new business opportunity
2. On 20 December the company paid a final dividend of €0,10 per share. All the shares were eligible for the dividend payment
3. On 31 December Land at cost €300.000, included in the Property, plant and equipment was revalued to €450.000.

#### REQUIRED:

(a) Show the journal entries to record the above transactions **(Marks 6)**

(b) Prepare in line with IAS 1:

- i. The Statement of Changes in Equity for the year ended 31 December 2019 **(Marks 6)**
- ii. The Statement of Financial Position as at 31 December 2019 **(Marks 8)**

**(Total Marks 20)**

## QUESTION 5

The Statements of Financial Position of Julian Plc for the last two years are given below:

	31 December 2019		31 December 2018	
	€'000	€'000	€'000	€'000
<b>Non-current assets</b>				
Property, plant and equipment at cost		6.500		4.300
Accumulated depreciation		(1.700)		(1.600)
Property, plant and equipment at NBV		4.800		2.700
<b>Current assets</b>				
Inventory		580		500
Trade receivables		360		230
Bank		-----		170
Total assets		<b>5.740</b>		<b>3.600</b>
<b>Equity and liabilities</b>				
Equity				
Ordinary share capital		3.500		2.370
Share premium		300		150
Retained earnings		1.252		470
		5.052		2.990
<b>Non-current liabilities</b>				
10% Loan notes		-----		100
<b>Current liabilities</b>				
Trade payables		450		365
Taxation		180		145
Bank overdraft		58		-----
Total equity and liabilities		<b>5.740</b>		<b>3.600</b>

### Additional information:

- Property that cost €600.000 with a net book value of €140.000 was sold for €180.000 during the year
- Interest paid on the bank overdraft for the year was €5.000
- Dividends paid during the year were €270.000
- The 10% Loan notes were repaid on 1 July 2019



- e) Loan interest was paid at the end of the year
- f) Profit before tax for the year ended 31 December 2019 was €1.232.000
- g) The corporation tax for the year was €180.000.

**REQUIRED:**

- (a)** Prepare the following accounts for the year ended 31 December 2019:
  - i. Property, plant and equipment **(Marks 2)**
  - ii. Accumulated depreciation of Property, plant and equipment **(Marks 2)**
  - iii. Disposal **(Marks 2)**
- (b)** Prepare the Statement of Cash Flows in accordance with International Accounting Standard (IAS) 7. **(Marks 14)**

**(Total Marks 20)**

**(GRAND TOTAL MARKS 100)**

**.....THE END.....**