

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

**ΠΑΓΚΥΠΡΙΕΣ ΕΞΕΤΑΣΕΙΣ 2017**

**ΜΑΘΗΜΑ: ΛΟΓΙΣΤΙΚΗ**

**ΗΜΕΡΟΜΗΝΙΑ ΚΑΙ ΩΡΑ ΕΞΕΤΑΣΗΣ: Πέμπτη, 1 Ιουνίου 2017  
08:00 - 11:00**

**ΠΡΟΤΕΙΝΟΜΕΝΕΣ ΛΥΣΕΙΣ ΔΩΔΕΚΑ (12) ΣΕΛΙΔΕΣ**

## QUESTION 1

### Exercise 1

**a. Revaluation A/c**

	€		€
Office equipment (40.000-38.200)	1.800	Premises (330.000-300.000)	30.000
Stock (26.000-25.200)	800	Goodwill	30.000
<u>Profit on Revaluation</u>			
Capital X (3/5 X 57.400) 34.440			
Capital Y (2/5 X 57.400) 22.960	57.400		
	<u>60.000</u>		<u>60.000</u>

(Marks 3)

**b. Partners' Capital A/cs**

	Xenia	Yianna	Zoe		Xenia	Yianna	Zoe
	€	€	€		€	€	€
Goodwill (3:2:1)	15.000	10.000	5.000	Balance b/d	258.000	160.000	-----
Balance c/d	277.440	172.960	75.000	Stock	-----	-----	20.000
				Motor Vehicles	-----	-----	18.000
				Cash/Bank	-----	-----	42.000
				Profit on Reval.	34.440	22.960	
	<u>292.440</u>	<u>182.960</u>	<u>80.000</u>		<u>292.440</u>	<u>182.960</u>	<u>80.000</u>
				Balance b/d	277.440	172.960	75.000

(Marks 4)

**Xenia, Yianna, Zoe  
Balance Sheet as at 1 April 2017**

	€	€		€	€
<b>Fixed Assets</b>			<b>Partners' Capital A/cs</b>		
Premises	330.000		Xenia	277.440	
Office Equipment	38.200		Yianna	172.960	
Fixtures & Fittings	30.000		Zoe	75.000	525.400
Motor Vehicles	18.000	416.200			
			<b>Current Liabilities</b>		
<b>Current Assets</b>			Creditors		30.000
Stock (25.200+20.000)	45.200				
Debtors	34.000				
Bank (18.000+42.000)	60.000	139.200			
		<u>555.400</u>			<u>555.400</u>

(Marks 6)

or

### Revaluation A/c

	€		€
Office equipment	1.800	Premises	30.000
Stock	800		
<u>Profit on Revaluation</u>			
Capital X (3/5 X 27.400)	16.440		
Capital Y (2/5 X 27.400)	10.960	27.400	
	30.000		30.000

### Partners' Capital A/cs

	Xenia	Yianna	Zoe		Xenia	Yianna	Zoe
	€	€	€		€	€	€
Goodwill	15.000	10.000	5.000	Balance b/d	258.000	160.000	-----
Balance c/d	277.440	172.960	75.000	Stock	-----	-----	20.000
				Motor Vehicles	-----	-----	18.000
				Cash/Bank	-----	-----	42.000
				Goodwill adj. (3:2)	18.000	12.000	
				Profit on Reval.	16.440	10.960	
	292.440	182.960	80.000		292.440	182.960	80.000
				Balance b/d	277.440	172.960	75.000

### Xenia, Yianna, Zoe Balance Sheet as at 1 April 2017

	€	€
<b>Fixed Assets</b>		
Premises		330.000
Office Equipment		38.200
Fixtures & Fittings		30.000
Motor Vehicles		18.000
		<b>416.200</b>
<b>Current Assets</b>		
Stock (25.200+20.000)	45.200	
Debtors	34.000	
Bank (18.000+42.000)	60.000	
	<b>139.200</b>	
<b>Current Liabilities</b>		
Creditors	(30.000)	109.200
		<b>525.400</b>
<b>Capital A/cs</b>		
Xenia	277.440	
Yianna	172.960	
Zoe	75.000	525.400

## QUESTION 1

### Exercise 2 a.

#### Office Computer A/c

2016		€	2016		€
Jan 1	Balance b/d	40.000	Jun 30	Disposal	12.000
Oct 1	Bank	16.000	Dec 31	Balance c/d	44.000
		56.000			56.000
2017					
Jan 1	Balance b/d	44.000			

(Marks 2)

#### b. Office Computer-Provision for Depreciation A/c

2016		€	2016		€
Jun 30	Disposal (W.3)	6.000	Jan 1	Balance b/d (w1)	16.000
Dec 31	Balance c/d	17.600	Dec 31	P/L or Depn (w.2)	7.600
		23.600			23.600
			2017		
			Jan 1	Balance b/d	17.600

(Marks 3)

#### c. Disposal A/c

2016		€	2016		€
Jun 30	Office computer	12.000	Jun 30	Bank	5.000
			Jun 30	PFD	6.000
			Dec 31	Loss on disposal/P&L	1.000
		12.000			12.000

(Marks 2)

### Workings:

- Provision for Depn 1.1. 2016  
 $40.000 \times 20\% \times 2 \text{ years} = \underline{16.000}$
- Depreciation expense for 2016  
 Old:  $(40.000 - 12.000) \times 20\% = 5.600$   
 New:  $16.000 \times 20\% \times 3/12 = 800$   
 Disposed:  $12.000 \times 20\% \times 6/12 = \underline{1.200}$   
**7.600**
- Provision for Depn on asset disposed  
 $12.000 \times 20\% \times 30/12 = \underline{6.000}$

(Total Marks 20)

## Question 2

a.

$$\text{i. Quick Assets Ratio} = \frac{\text{Current Assets} - \text{Stock}}{\text{Current Liabilities}} = \frac{14.900 + 17.700}{(17.400 + 6.000 + 2.100)}$$

**Quick Assets Ratio = 1,28:1**

**(Marks 2)**

$$\text{ii. Gross Profit} = \frac{\text{Gross Profit}}{\text{Sales}} \times 100 \quad \text{Gross Profit} = \frac{\text{Gross Profit}}{(\text{Cost of Sales} + \text{GP})} \times 100$$

$$\text{Gross Profit} = \frac{115.800}{(127.200 + 115.800)} \times 100 \quad \text{Gross Profit} = \frac{115.800}{243.000} \times 100$$

**Gross Profit = 47,65%**

**(Marks 2)**

$$\text{iii. Net Assets Value of Shares} = \frac{\text{Ordinary Share Capital} + \text{Reserves}}{\text{No of Ordinary Shares}}$$

$$\text{Net Assets Value of Shares} = \frac{1.000.000 + 312.000*}{500\,000} = \frac{1.312.000}{500\,000}$$

**Net Assets Value of Shares = €2,62 per share**

\*Reserves = Share Premium + General Reserve + Profit and Loss

$$\text{Reserves} = 20.000 + 12.000 + 280.000$$

**(Marks 2)**

$$\text{iv. Debtors Ratio} = \frac{\text{Debtors}}{\text{Credit Sales}} \times 365 \quad \text{Debtors Ratio} = \frac{14.900}{194.400*} \times 365$$

**Debtors Ratio = 28 days**

$$*243.000 \times 80\%$$

**(Marks 2)**

**QUESTION 2**

b.

**(Marks 4)**

**Application and Allotment A/c**

2016		€	2016		€
	Ordinary Share Capital (200 000X€1,10)	220.000		Bank (290 000X€0,50)	145.000
	Share Premium (200 000X€0,40)	80.000		Bank (200 000X€1) – (50 000X€0,50)	175.000
	Bank (40 000X€0,50)	20.000			
		<b>320.000</b>			<b>320.000</b>

ii.

**Ordinary Share Capital A/c**

2016		€	2016		€
Dec 31	Balance c/d	1.400.000	Jan 1	Balance b/d	1.000.000
				Appl & Allotment	220.000
				First Call (200 000X€0,60)	120.000
				Second & Final Call (200 000X€0,30)	60.000
		<b>1.400.000</b>			<b>1.400.000</b>
			<b>2017</b>		
			Jan 1	Balance b/d	1.400.000

**(Marks 3)**

iii.

**Share Premium A/c**

2016		€	2016		€
Dec 31	Balance c/d	100.000	Jan 1	Balance b/d	20.000
				Appl & Allotment	80.000
		<b>100.000</b>			<b>100.000</b>
			<b>2017</b>		
			Jan 1	Balance b/d	100.000

**(Marks 1)**

iv.

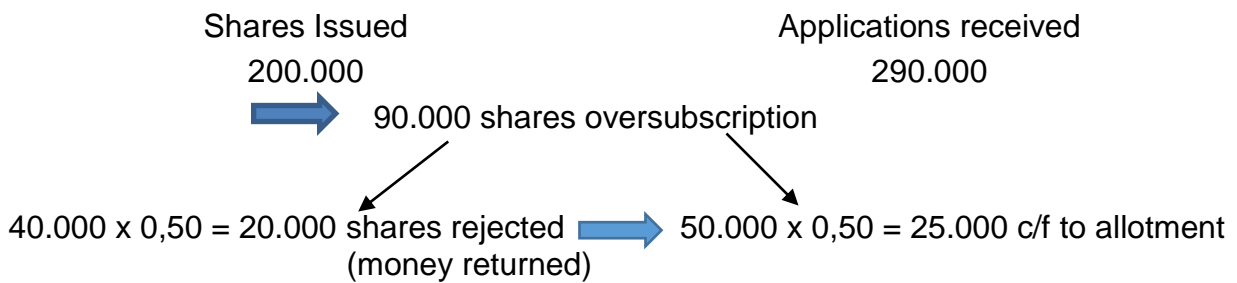
**Second and Final Call A/c**

2016		€	2016		€
	Ordinary Share Capital	60.000		Calls in advance (4 000X€0,30)	1.200
				Bank (200 000X€0,30) - €1.200 - €900	57.900
				Calls in arrear (3 000X€0,30)	900
		<b>60.000</b>			<b>60.000</b>

**(Marks 4)**

**Workings:**

$290.000 \times 0,50 = 145.000$	Applications money received
$200.000 \times 0,50 = 100.000$	Application
$200.000 \times 0,60 = 120.000$	Allotment
$200.000 \times 0,60 = 120.000$	First Call
$200.000 \times 0,30 = 60.000$	Second and Final Call
$200.000 \times 0,40 = 80.000$	Share Premium
$3.000 \times 0,60 = 1.800$	Calls in arrear First Call
$3.000 \times 0,30 = 900$	Calls in arrear Second and Final Call
$4.000 \times 0,30 = 1.200$	Calls in advance



**(Total Marks 20)**

### QUESTION 3

#### Alpha Ltd

##### a. Manufacturing Account for the year ended 31 December 2016

Raw materials:	€	€
Opening stock	62.000	
Purchases	179.000	
Carriage inwards (1.500x80%)	1.200	
	242.200	
Less: closing stock	(62.800)	
<b>Cost of raw materials consumed</b>	<b>179.400</b>	
Add Manufacturing wages	76.700	
<b>PRIME COST</b>		<b>256.100</b>
Add Factory overheads:		
Supervisor salary	14.000	
Depreciation of factory machinery	11.400	
Rent (8.000-1000)X50%	3.500	
Light and heat (4.300+700)x50%	2.500	31.400
Add: Opening work in progress	17.000	
Less: Closing work in progress	(15.100)	1.900
<b>PRODUCTION COST</b>		<b>289.400</b>

(Marks 12)

##### b. Trading and Profit and Loss A/c for the year ended 31 December 2016

	€	€	€
Sales			461.000
Less Cost of sales:			
Opening stock of finished goods		16.280	
Production cost		289.400	
Purchases of finished goods	30.800		
Add Carriage inwards (1.500X20%)	300	31.100	
		336.780	
Less Closing Stock of finished goods		(16.500)	320.280
Gross profit			140.720
<b>Less expenses</b>			
Administrative and sales wages		25.900	
Rent (8.000-1.000)X50%		3.500	
Light and heat (4.300+700)X50%		2.500	
Depreciation of office equipment		7.600	
Loss on sale of office equipment		400	(39.900)
Net Profit			100.820

(Marks 8)  
(Total Marks 20)



## QUESTION 4

a

**Massimo Plc**  
**Profit and Loss Appropriation Account for the year ended 31 December 2016**

	€	€	€
Net Profit			308.400
Add Investment Income (100.000X6%X3/12)			1.500
			309.900
Corporation Tax (309.900X10%)			(30.990)
Net Profit after tax			278.910
Interim dividends:			
Ordinary shares	8.000		
Preference shares	6.400	14.400	
Proposed dividends:			
Ordinary shares $[(800.000 \div 2) \times 0,05]$	20.000		
Preference shares (160.000 x 8%) – 6.400	6.400	26.400	
Transfer to General Reserve		30.000	
Goodwill written off		70.000	(140.800)
<b>Retained profit for the year</b>			138.110
Retained profit b/f			167.000
<b>Retained profit c/f</b>			305.110

**(Marks 7)**

**Massimo Plc**  
**Balance Sheet at 31 December 2016**

b.

	€	€	€
<b>Fixed Assets</b>	<b>Cost</b>	<b>Depn to Date</b>	<b>Net Book Value</b>
<b>Intangible Assets</b>			
Goodwill	170.000	70.000	100.000
<b>Tangible Assets</b>			
Freehold Premises	1.060.000	-	1.060.000
Office Equipment	140.000	84.000	56.000
Motor Vehicles	400.000	325.000	75.000
	1.600.000	409.000	
6% Investment			100.000
			1.391.000
<b>Current Assets</b>			
Stock		180.000	
Debtors	120.000		
Less Provision for bad debts	2.400	117.600	
Investment Income due		1.500	
		299.100	
<b>Less Current Liabilities</b>			
Creditors	90.000		
Debenture Interest due	4.000		
Corporation Tax	30.990		
Proposed ordinary dividend	20.000		
Proposed preference dividend	6.400		
Bank overdraft	13.600	164.990	
<b>Net Current Assets</b>			134.110
Total Assets less Current Liabilities			1.525.110
<b>Capital and Reserves</b>		<b>Authorised</b>	<b>Issued and paid up</b>
Ordinary shares of €2 each		1.000.000	800.000
8% Preference shares of €1 each		200.000	160.000
		1.200.000	960.000
<b>Reserves</b>			
Share premium		60.000	
General Reserve (10.000+30.000)		40.000	
Profit and Loss A/c		305.110	405.110
<b>Long Term Liabilities</b>			
5% Debentures			160.000
Capital Employed			1.525.110

**(Marks 13)**  
**(Total Marks 20)**

## QUESTION 5

1.

### Books of Red and Green

a.

#### Realization A/c

	€		€
Premises	800.000	Creditors	76.000
Furniture and Fittings	30.000	Rainbow Ltd (180 000X5X1.2)+140.000	1.220.000
Motor Vans	40.000		
Stock	150.000		
Debtors	80.000		
Profit on Realization:			
Capital R 196.000X3/5	117.600		
Capital G 196.000X2/5	78.400		
	<u>1.296.000</u>		<u>1.296.000</u>

(Marks 4)

b.

#### Partners' Capital A/cs

	Red	Green		Red	Green
Current a/c	-----	58.000	Balance b/d	600.000	400.000
Shares in Rainbow Ltd (W1)	648.000	432.000	Current a/c	65.000	-----
Bank	<b>134.600</b>	-----	Realization Profit	117.600	78.400
			Bank	-----	<b>11.600</b>
	<u>782.600</u>	<u>490.000</u>		<u>782.600</u>	<u>490.000</u>

(Marks 4)

c.

#### Bank A/c

	€		€
Cash	5.000	Balance b/d	22.000
Rainbow Ltd	140.000	Capital - Red	134.600
Capital - Green	11.600		
	<u>156.600</u>		<u>156.600</u>

(Marks 2)

## 2. BOOKS OF RAINBOW LTD

### JOURNAL

Particulars	Dr €	Cr €
Premises	950.000	
Furniture and fittings	18.000	
Motor Vans	25.000	
Stock	160.000	
Debtors	80.000	
<b>Goodwill</b>	<b>67.000</b>	
Provision for Bad Debts		4.000
Creditors		76.000
Vendors (Red and Green)		1.220.000
Vendors (Red and Green)	1.220.000	
Bank		140.000
Ordinary Share Capital (180 000X€5)		900.000
Share premium (180 000X€1)		180.000
Ordinary Shareholders (30 000x€6)	180.000	
Ord. Share capital (30 000x€5)		150.000
Share premium (30 000X€1)		30.000
Bank	180.000	
Ordinary Shareholders (30 000x€6)		180.000
Preliminary expenses	5.000	
Bank		5.000
Share Premium	5.000	
Preliminary expenses		5.000

(Marks 10)

### Workings:

#### FOR THE BOOKS OF VENDORS (Red and Green)

#### 1. Allocation of shares in Rainbow Ltd

		€	
Red	(1.080.000x3/5)	= 648.000	} No need to show premium at this point!
Green	(1.080.000x2/5)	= <u>432.000</u>	
		<u>1.080.000</u>	

#### 2. Calculation of Purchase Price

Value of Shares issued to partners: 180.000 shares x [€5 + (€5x20%)]	€	1.080.000
Cash payment to partnership		<u>140.000</u>

**1.220.000**

**(Total Marks 20)**

**(GRAND TOTAL MARKS 100)**