

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

ΠΑΓΚΥΠΡΙΕΣ ΕΞΕΤΑΣΕΙΣ 2015

ΜΑΘΗΜΑ: ΛΟΓΙΣΤΙΚΗ

**ΗΜΕΡΟΜΗΝΙΑ ΚΑΙ ΩΡΑ ΕΞΕΤΑΣΗΣ: Πέμπτη, 21 Μαΐου 2015
08:00 - 11:00**

ΠΡΟΤΕΙΝΟΜΕΝΕΣ ΛΥΣΕΙΣ

Question 1
Exercise 1

Manufacturing A/c of Amaliada Plc
for the year ended 31 December 2014

	€	€		€
Raw Materials:				
Opening Stock		12.200	Trading A/c	246.390
Add Purchases		116.700		
Add Carriage Inwards		1.680		
		130.580		
Less Closing Stock		13.700		
Cost of Raw Materials used		116.880		
Add Direct Factory Wages	30.400			
Add Direct expenses	11.000	41.400		
		158.280		
Work in Progress:				
Add Opening Stock	7.200			
Less Closing Stock	7.700	(500)		
Prime Cost		157.780		
Factory overhead expenses:				
Fuel and Power	6.780			
Factory Rent (€1.000x12)	12.000			
Rates and Insurance (1.750 + 250) x 3/5	1.200			
Heat and Light (2.850x3/5)	1.710			
Factory Salaries	32.300			
Depreciation on Plant & Mach. (358.600 – 38.600) x 10%	32.000			
Repairs of Plant & Machinery	2.620			
Total Factory Overheads		88.610		
Total Cost of Production		246.390		246.390

Question 1
Exercise 2

Motor Vehicles A/c

2013			2013		
		€			€
Jan. 1	Balance b/d	80.000	Dec.31	Balance c/d	117.000
Jan.31	Bank (9.000 x 2)	18.000			
Oct. 1	Creditor Alpha Plc	19.000			
		117.000			117.000
2014			2014		
Jan. 1	Balance b/d	117.000	Aug. 1	Disposal	12.000
			Dec.31	Balance c/d	105.000
		117.000			117.000
2015					
Jan. 1	Balance b/d	105.000			

Provision for depreciation of Motor Vehicles A/c

2013			2013		
		€			€
Dec.31	Balance c/d	25.125	Jan. 1	Balance b/d	15.000
			Dec.31	P&L -Depreciation (W1)	10.125
		25.125			25.125
2014			2014		
Aug.1	Disposal (W2)	4.600	Jan.1	Balance b/d	25.125
Dec.31	Balance c/d	31.725	Dec.31	P&L- Depreciation (W3)	11.200
		36.325			36.325
2015			2015		
Jan.1	Balance b/d	31.725			

Motor Vehicle Disposal A/c

2014			2014		
		€			€
Aug.1	Motor Vehicle (cost)	12.000	Aug. 1	Provision for depreciation	4.600
			Aug. 1	Bank	6.750
			Aug. 1	Loss on sale	650
		12.000			12.000

Workings

<p>W1.</p> $80.000 \times 10\% = 8.000$ $18.000 \times 10\% \times 11/12 = 1.650$ $19.000 \times 10\% \times 3/12 = 475$ <p style="text-align: right;">10.125</p>	<p>W2.</p> <p style="text-align: right;">Μήνες</p> <table style="width: 100%;"> <tr> <td>1 Oct. 2010</td> <td style="text-align: right;">3</td> </tr> <tr> <td>2011</td> <td style="text-align: right;">12</td> </tr> <tr> <td>2012</td> <td style="text-align: right;">12</td> </tr> <tr> <td>2013</td> <td style="text-align: right;">12</td> </tr> <tr> <td>1 Aug. 2014</td> <td style="text-align: right;">7</td> </tr> <tr> <td></td> <td style="text-align: right;"><hr/></td> </tr> <tr> <td></td> <td style="text-align: right;">46</td> </tr> </table> <p>$12.000 \times 10\% \times 46/12 = 4.600$</p>	1 Oct. 2010	3	2011	12	2012	12	2013	12	1 Aug. 2014	7		<hr/>		46
1 Oct. 2010	3														
2011	12														
2012	12														
2013	12														
1 Aug. 2014	7														
	<hr/>														
	46														
<p>W3</p> $(117.000 - 12.000) \times 10\% = 10.500$ $12.000 \times 10\% \times 7/12 = 700$ <p style="text-align: right;">11200</p>															

Question 2

A N L

Profit and Loss Appropriation A/c

	€	€		€
Interest on Capital:			Adjusted Net Profit (W1)	22.000
Andreas (10.000 x 6%)	600		Interest on drawings:	
Nicolas (15.000 x 6%)	900		Andreas (7.000 x 4%)	280
Loizos (12.000 x 6%)	720	2.220	Nicolas (6.000 x 4%)	240
Partner Salary of Andreas		5.500	Loizos (5.000 x 4%)	200
Share of Profit:				720
Andreas (15.000 x 1/3)	5.000			
Nicolas (15.000 x 1/3)	5.000			
Loizos (15.000 x 1/3)	5.000	15.000		
		<u>22.720</u>		<u>22.720</u>

W1. Net Profit before Interest on Loan	22.100
Less Interest on Loan (5.000 x 4% x 6/12)	<u>100</u>
Adjusted Net Profit after Interest on Loan	<u>22.000</u>

Partners' Current A/cs							
	A	N	L		A	N	L
Balances b/d	500		2.500	Balance b/d		1.000	
Drawings	7.000	6.000	5.000	Interest on loan			100
Inter. on Drawings	280	240	200	Interest on capital	600	900	720
Balance c/d	3.320	660		Salary	5.500		
				Share of Profit	5.000	5.000	5.000
				Balance c/d			1.880
	<u>11.100</u>	<u>6.900</u>	<u>7.700</u>		<u>11.100</u>	<u>6.900</u>	<u>7.700</u>
Balance b/d			1.880	Balances b/d	3.320	660	
Capital N		660					

Partners' Capital A/cs							
	A	N	L		A	N	L
Cash		2.000		Balances b/d	10.000	15.000	12.000
Fixture & Fittings		6.000		Current a/c		660	
Loan		15.660		Profit on revaluation	8.000	8.000	8.000
Goodwill 2:1	10.000		5.000				
Balances c/d	8.000		15.000				
	<u>18.000</u>	<u>23.660</u>	<u>20.000</u>		<u>18.000</u>	<u>23.660</u>	<u>20.000</u>
				Balances b/d	8.000		15.000

Revaluation A/c				
	€	€	€	
Fixtures and Fittings		2.000	Goodwill (W2)	15.000
Profit on revaluation:			Freehold Premises	10.000
A (24.000 x 1/3)	8.000		Stock	1.000
N (24.000 x 1/3)	8.000			
L (24.000 x 1/3)	8.000	24.000		
		<u>26.000</u>		<u>26.000</u>

W2. Calculation of Goodwill

Year	Profit/Loss (€)
2012	50.000
2013	(27.000)
2014	<u>22.000</u>
	45.000/3 = 15.000 Average Profit
	<u> X1</u>
	€15.000 Goodwill

Question 3 (a)

Journal Entries	DR	CR
	€	€
Premises	250.000	
Machinery	100.000	
Fixtures and Fittings	20.000	
Delivery Van	30.000	
Stock	35.000	
Debtors	24.000	
Goodwill	10.000	
Provision for Bad Debts (24.000 x 5%)		1.200
Creditors 40.000 – 10.200		29.800
Loan		20.000
Vendor Agathi (purchase price)		418.000
Vendor Agathi	418.000	
Ordinary Share Capital (800.000 x €0,50)		400.000
Bank		18.000
Preliminary expenses	4.000	
Bank		4.000
Ordinary shareholders (400.000 x €0,60)	240.000	
Ordinary Share Capital (400.000 x €0,50)		200.000
Share Premium [400.000 x (€0,50 x 20%)		40.000
Bank	240.000	
Ordinary shareholders (400.000 x €0,60)		240.000
Debentureholders (800 bonds x €96)	76.800	
Debenture discount (800 bonds x €4)	3.200	
6% Debentures (800bondsx€100)		80.000
Bank	76.800	
Debentureholders		76.800
Share Premium	7.200	
Debenture discount		3.200
Preliminary expenses		4.000

Q 3 (b)

Balance Sheet of Agatha Plc as at 31 March 2014

FIXED ASSETS	€	€		€	€
INTANGIBLE ASSETS			AUTHORISED CAP.		
Goodwill		10.000	1.800.000 Ordinary Shares of €0,50 each	900.000	
TANGIBLE ASSETS			ISSUED SHARE CAPITAL		
Premises	250.000		1.200.000 Ordinary Shares of €0,50 each		600.000
Machinery	100.000		RESERVES & SURPLUSES		
Fixtures & Fittings	20.000		Share Premium		32.800
Delivery Van	30.000	400.000	LONG TERM LIABILITIES		
CURRENT ASSETS			6% Debentures	80.000	
Stock	35.000		Loan	20.000	100.000
Debtors 24.000			CURRENT LIABILITIES		
Less Provision for Bad Debts 1.200	22.800		Creditors		29.800
Bank	294.800	352.600			
		762.600			762.600

Workings:

Bank A/c

	€		€
Ordinary shareholders	240.000	Vendor	18.000
Debenture holders	76.800	Preliminary expenses	4.000
		Balance c/d	294.800
	316.800		316.800
Balance b/d	294.800		

Question 4

Realization Account			
	€		€
Motor Vehicles (16.000-2.000)	14.000	Bank – Debtors (20.000x10c) +1.000	3.000
Stock	15.000	- Stock	12.998
Debtors	21.000	- Motor Vehicles	8.000
Bank – Dissolution Expenses	3.200	Capital A – Motor Vehicles	7.000
		Creditors – Discount Rec.	842
		Loss on Realization:	
		A (3/6 x 21.360) 10.680	
		M (2/6 x 21.360) 7.120	
		P (1/6 x 21.360) <u>3.560</u>	21360
	53.200		53.200

Bank Account			
	€		€
Realization - Stock	12.998	Balance b/d	17.000
Realization – Motor Vehicles	8.000	Creditors (13.000 – 842)	12.158
Realization - Debtors	3.000	Realisation - Expenses	3.200
Capital A	10.460	Capital M	2.100
	34.458		34.458

Partners Capital Accounts							
	A	M	P		A	M	P
	€	€	€		€	€	€
P. Current a/c			4.000	Balances b/d	8.000	8.000	2.000
Realiz–M.Vehicles	7.000			P. Current a/cs	2.000	4.000	
Loss on Realizat	10.680	7.120	3.560	Capital A			2.780
Capital P	2.780	2.780		Capital M			2.780
Bank		2.100		Bank	10.460		
	20.460	12.000	7.560		20.460	12.000	7.560

Question 5 (A)

**Profit and Loss and Appropriation Account of Pegasos Plc
for the year ended 31 December 2014**

	€	€		€
Salaries	75.500		Gross profit	180.000
Less prepaid	<u>(1.500)</u>	74.000	Discount received	2.000
Bad debts (2.300 + 800)		3.100	Investment income	9.200
Audit fees		10.000		
Debenture interest paid	3.200			
Add due (€240.000 X 8% X 9/12 - 3.200)	<u>11.200</u>	14.400		
Discount allowed		1.200		
Provision for depreciation:				
-Motor cars (€50.000-15.000) X 10%		3.500		
Provision for bad debts (W1)		<u>1.200</u>		
Net profit		83.800		
		<u>191.200</u>		<u>191.200</u>
Corporation tax (€83.800 X 10%)		8.380	Balance b/d	71.600
Interim dividends:			Net profit	83.800
-Ordinary shares	12.600			
-6% Pref. shares	<u>4.800</u>	17.400		
Proposed Dividends:				
-Ordin. Sh. (200.000-20.000X €0.10)	18.000			
-6% Preference shares (€140 000 X 6%=8.400 - €4.800)	<u>3.600</u>	21.600		
Goodwill written off		8.000		
General reserve		2.000		
Debentures Discount		2.400		
Balance c/d		95.620		
		<u>155.400</u>		<u>155.400</u>
			Balance b/d	95.620

W1.

Provision for bad debts Account

	€		€
Balance c/d (€48.000 X 5%)	2.400	Balance b/d	1.200
		Profit & loss	1.200
	<u>2.400</u>		<u>2.400</u>

Question 5 (B)

Balance Sheet of Pegasos Plc
as at 31 December 2014

	€	€	€
FIXED ASSETS	Cost	Acc. Depr.	Book value
Intangible assets:			
Goodwill	48.000	8.000	40.000
Tangible assets			
Premises	660.000		660.000
Motor cars	50.000	18.500	<u>31.500</u>
Total Fixed Assets	<u>758.000</u>	<u>26.500</u>	731.500
Investment			100.000
CURRENT ASSETS			
Stock	107.000		
Debtors (€48.800 - €800) = 48.000			
Less provision for bad debts <u>2.400</u>	45.600		
Calls in Arrear	5.000		
Salaries prepaid	1.500		
Bank	32.000		
Cash in hand	<u>2.200</u>	193.300	
CURRENT LIABILITIES			
Creditors	64.000		
8% Debentures interest due	11.200		
Corporation tax	8.380		
Proposed dividends: ordinary shares	18.000		
Proposed dividends: 6% preference shares	3.600	<u>105.180</u>	
Working capital (Net Current Assets)			<u>88.120</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>919.620</u>
SHARE CAPITAL	<u>Authorised</u>	<u>Called Up</u>	
Ordinary share capital shares 400 000 of €2 each	800.000	400.000	
6% preference share capital 200 000 of €1 each	<u>200.000</u>	<u>140.000</u>	540.000
	<u>1.000.000</u>		
RESERVES & SURPLUSES			
General reserve (€22.000 + €2.000)		24.000	
Share Premium		20.000	
P & L appropriation (balance c/d)		<u>95.620</u>	139.620
LONG TERM LIABILITIES			
8% Debentures			<u>240.000</u>
TOTAL CAPITAL EMPLOYED			<u>919.620</u>

Question 5 (B)

VERTICAL STYLE

**Profit and Loss and Appropriation Account of Pegasos Plc
for the year ended 31 December 2014**

Gross profit		180.000	€
Discount received		2.000	
Investment income		9.200	191.200
Less expenses: Salaries paid	75.500		
Less salaries prepaid	(1.500)	74.000	
Bad debts (2.300 + 800)		3.100	
Audit fees		10.000	
Debenture interest paid	3.200		
Add due (€240.000 X 8% X 9/12 - 3.200)	<u>11.200</u>	14.400	
Discount allowed		1.200	
Provision for depreciation:			
-Motor cars (€50.000-15.000) X 10%		3.500	
Provision for bad debts (W1)		<u>1.200</u>	<u>107.400</u>
Net profit			83.800
Less: Corporation tax (€83.800 X 10%)		8.380	
Interim dividends:			
-Ordinary shares	12.600		
-6% Pref. shares	<u>4.800</u>	17.400	
Proposed Dividends:			
-Ordin. Sh. (200.000-20.000X €0.10)	18.000		
-6% Preference shares (€140 000 X 6%=8.400 - €4.800)	<u>3.600</u>	21.600	
Goodwill written off		8.000	
General reserve		2.000	
Debentures Discount		<u>2.400</u>	<u>59.780</u>
Balance c/d			24.020
Add Balance b/d			<u>71.600</u>
Retained profits c/d			95.620

Question 3 (b)

VERTICAL STYLE

Balance Sheet of Agatha Plc as at 31 March 2014

FIXED ASSETS	€		€
INTANGIBLE ASSETS			
Goodwill		10.000	
TANGIBLE ASSETS			
Premises	250.000		
Machinery	100.000		
Fixtures & Fittings	20.000		
Delivery Van	30.000	<u>400.000</u>	410.000
CURRENT ASSETS			
Stock	35.000		
Debtors 24.000			
Less Provision for Bad Debts 1.200	22.800		
Bank	<u>294.800</u>	352.600	
LESS CURRENT LIABILITIES			
Creditors		29.800	
Working capital /Net current Assets			322.800
			<u>732.800</u>
AUTHORISED CAP.			
1.800.000 Ordinary Shares of €0,50 each		900.000	
ISSUED SHARE CAPITAL			
1.200.000 Ordinary Shares of €0,50 each			600.000
RESERVES & SURPLUSES			
Share Premium			32.800
LONG TERM LIABILITIES			
6% Debentures		80.000	
Loan		20.000	100.000
			<u>732.800</u>