

ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ, ΑΘΛΗΤΙΣΜΟΥ ΚΑΙ ΝΕΟΛΑΙΑΣ
ΔΙΕΥΘΥΝΣΗ ΑΝΩΤΕΡΗΣ ΕΚΠΑΙΔΕΥΣΗΣ
ΥΠΗΡΕΣΙΑ ΕΞΕΤΑΣΕΩΝ

ΠΑΓΚΥΠΡΙΕΣ ΕΞΕΤΑΣΕΙΣ ΠΡΟΣΒΑΣΗΣ 2024

ΜΑΘΗΜΑ: ΛΟΓΙΣΤΙΚΗ (25)

ΗΜΕΡΟΜΗΝΙΑ ΚΑΙ ΩΡΑ: Τετάρτη, 26 Ιουνίου 2024

08:00 - 11:00

ΠΡΟΤΕΙΝΟΜΕΝΕΣ ΛΥΣΕΙΣ
ΕΝΤΕΚΑ (11) ΣΕΛΙΔΕΣ

QUESTION 1 - PART A

- i. b Κεφ. 9, ενότ. 9.5, σελ. 203-205
- ii. a Κεφ. 9, ενότ. 9.3, σελ. 200
- iii. c Κεφ. 9, ενότ. 9.4, 9.5, σελ. 201-205
- iv. a Κεφ. 2, ενότ. 2.5, σελ. 40

(MARKS 10)

QUESTION 1 - PART B

- α – 2 Κεφ. 4, ενότ. 4.5, σελ. 85
- β – 4 Κεφ. 4, ενότ. 4.5, σελ. 85
- γ – 5 Κεφ. 4, ενότ. 4.10, σελ. 94
- δ – 1 Κεφ. 4, ενότ. 4.7, σελ. 88

(MARKS 2)

QUESTION 1 - PART C

- a) i. Contribution per unit = Selling price per unit – Variable cost per unit
= €50 – €30 = €20

$$\text{Break – even point (BEP)} = \frac{\text{Fixed cost}}{\text{Contribution per unit}} = \frac{\text{€10.000}}{\text{€20}} = \mathbf{500 \text{ dog beds}}$$

(MARKS 1)

ii.
$$\frac{\text{Fixed cost} + \text{Required profit}}{\text{Contribution per unit}} = \frac{\text{€10.000} + \text{€40.000}}{\text{€20}} = \mathbf{2\ 500 \text{ dog beds}}$$

(MARKS 1)

iii. Margin of safety = Sales in units – BEP in units = 2 000 – 500 = **1 500 dog beds**
(MARKS 1)

iv. Profit or loss if 450 units were sold = total contribution – fixed cost
= (450 dog beds x €20) - €10.000 = €9. 000 – €10.000 = **€1.000 Loss**
(MARKS 1)

v.
$$\frac{\text{€110.000}}{\text{€50}} = 2\ 200 \text{ dog beds sold}$$

Profit or loss if 2 200 dog beds were sold = total contribution – fixed cost

= (2 200 dog beds x €20) - €10.000 = €44. 000 – €10.000 = **€34.000 profit**
(MARKS 2)

b)

i. The break-even point (BEP) is the production level at which total revenues equal total cost. The break-even point (BEP) is the production level where there is no profit or loss.

Νεκρό σημείο είναι το σημείο στο οποίο το σύνολο των εξόδων, τόσο των σταθερών όσο και τα μεταβλητών, καλύπτονται από εκείνο των πωλήσεων ή είναι το σημείο όπου η επιχείρηση δεν πραγματοποιεί ούτε κέρδος ούτε ζημιά.

Κεφ 8, ενότ. 8.3, σελ 185.

(MARKS 1)

ii. A variable cost is one that changes (increases or decreases) as the level of activity changes.

Μεταβλητό κόστος είναι εκείνο που μεταβάλλεται (αυξάνεται ή μειώνεται) καθώς μεταβάλλεται το ύψος της δραστηριότητας .

Κεφ 8, ενότ. 8.1, σελ 182.

(MARKS 1)

(QUESTION 1: TOTAL MARKS 20)

QUESTION 2 - PART A

a) Closing Inventory in units

	Standard	Super
	Units	Units
Opening balance	400	200
Plus: Purchases	350	400
	100	150
	850	750
Less Sales	(700)	(650)
Closing Inventory in units	150	100

(MARKS 4)

b) Closing Inventory in value

<u>Standard</u>	
100 x €13	€1.300
50 x €11	<u>€550</u>
Total	<u>€1.850</u>

<u>Super</u>	
100 x €12 NRV=	<u>€1.200</u>

(MARKS 4)

QUESTION 2 – PART B

Andrea Lysiotti

Manufacturing account for the year ended 31 December 2023

	€	€
Direct materials		
Opening inventory		24.000
Purchases	140.000	
Add: carriage inwards	2.000	
Less: purchases returns of raw materials	(12.000)	130.000
		154.000
Less Closing inventory		(26.000)
Cost of materials used		128.000
Direct labour		
Direct factory wages (156.000 - 12.000) x 80%		115.200
Direct expenses		
Royalties (€28.000 x 36 000/32 000) or [€28.000 + (€28.000/32 000) x 4 000]		31.500
Prime cost		274.700
Factory overheads		
Indirect factory wages (156.000 - 12.000) x 20%	28.800	
Factory general expenses	29.000	
Factory insurance (9.000/6 x 12) or (9.000 + 9.000)	18.000	
Depreciation on factory building (200.000/25 years)	8.000	
Depreciation on machinery (120.000 x 10%)	12.000	95.800
		370.500
Work in progress		
Add: Opening work in progress	17.000	
Less: Closing work in progress	(15.000)	2.000
Production cost of goods completed		372.500

(MARKS 12)

(QUESTION 2: TOTAL MARKS 20)

QUESTION 3 - PART A

a) **Journal**

2023		Debit	Credit
		€	€
Oct 1	Retained earnings / Dividends	18.000	
	Bank (€600.000/2 x €0,06)		18.000
Dec 1	Share premium	100.000	
	Retained earnings (120.000 – 100.000)	20.000	
	Ordinary share capital		120.000
	(€600.000/2 x 1/5 = 60 000 shares x €2)		
2024			
Mar 1	Bank (€800.000 - €720.000)	80.000	
	Ordinary share capital		80.000
Mar 31	Bank	50.000	
	4% Debentures		50.000

(MARKS 6)

b)

Statement of Financial Position (extract) of Morphou Plc as at 31 March 2024

<u>Equity</u>	€
Ordinary Share Capital (600.000 + 120.000 + 80.000)	800.000
Retained Earnings (110.000 – 18.000 – 20.000 +120.000 – 5.000 -17.000)	170.000
Total equity	970.000

(MARKS 4)

QUESTION 3 - PART B

a) i.

Cost of sales

$$\begin{aligned} &= \text{opening inventory} + \text{purchases} - \text{returns out} + \text{carriage inwards} - \text{closing inventory} \\ &= 45.000 + 714.000 - 40.000 + 6.000 - 50.000 = 675.000 \end{aligned}$$

$$\text{Gross profit} = \text{total sales} - \text{cost of sales} = (850.000 + 50.000) - 675.000 = 225.000$$

$$\text{Gross Profit margin ratio} = \frac{\text{Gross Profit}}{\text{Revenue}} \times 100 = \frac{225.000}{900.000} \times 100 = 25\%$$

(MARKS 3)

ii. Operating profit = Gross profit – expenses excluding interest
= 225.000 – (144.000 – 9.000) = 90.000

$$\text{Net Profit margin ratio} = \frac{\text{Operating Profit}}{\text{Revenue}} \times 100 = \frac{90.000}{900.000} \times 100 = 10\%$$

(MARKS 2)

iii. Capital employed = 640.000 + 160.000 + 200.000 = **1.000.000**

$$\text{ROCE} = \frac{\text{Net Profit before interest \& taxes}}{\text{Total Capital Employed}} \times 100 = \frac{90.000}{1.000.000} \times 100 = 9\%$$

(MARKS 2)

b) i.

- A low percentage of net profit margin ratio indicates an increase in the operating expenses of the business.
- Το χαμηλό ποσοστό καθαρού κέρδους δείχνει αύξηση των λειτουργικών εξόδων της επιχείρησης.
Κεφ. 7, ενότ. 7.4, σελ. 156

(MARKS 1)

b) ii.

- Positive effect on the business cash flow
- Reduce the possibility of irrecoverable debts
- Θετική επίδραση πάνω στις ταμειακές της ροές
- Μείωση πιθανότητας για απώλειες από χρεώστες
Κεφ. 7, ενότ. 7.6, σελ. 161

(MARKS 1)

(QUESTION 3: TOTAL MARKS 20)

QUESTION 4

a) i. Plant and machinery account

	€		€
Balance b/d	500.000	Disposal	20.000
Bank	40.000	Balance c/d	520.000
	540.000		540.000

(MARKS 2)

ii. Accumulated depreciation account

	€		€
Disposal (20.000 – 16.000)	4.000	Balance b/d	100.000
Balance c/d	148.000	*SOPL – charge for the year	52.000
	152.000		152.000

*Depreciation expense

(MARKS 2)

iii. Disposal account

	€		€
Machinery	20.000	Accumulated depreciation	4.000
SOPL - Profit on disposal	3.000	Cash	19.000
	23.000		23.000

(MARKS 2)

b) Cash flows from Investing activities

	€
Payments to acquire plant and machinery	(40.000)
Proceeds from sale of machinery	19.000
Payments to acquire investments	(80.000)
Payments to acquire shares in other companies	(91.000)
Interest received from investments	16.000
Dividends received from shares in other companies	2.730
Net cash used in Investing activities	(173.270)

(MARKS 4)

c) Cash flows from Financing activities

€

Receipt of bank loan	60.000
Repayment of Debentures	(90.000)
Cash received from the issue of share capital [(400.000 - 300.000) + (160.000 – 120.000)] or (200 000 shares x €0,70)	140.000
Dividends paid (300.000/0,50 x €0,05) + (400.000/0,5 x €0,02)	(46.000)
Net cash from Financing activities	64.000

(MARKS 5)**d)**

- i. Deduct
- ii. Add
- iii. Deduct
- iv. No effect
- v. Deduct
- vi. Add

(MARKS 3)**e) Explanation of depreciation and why is added back to profits:**

Depreciation is the systematic allocation of the cost of an asset over its useful life.

Απόσβεση είναι η συστηματική κατανομή του κόστους ενός στοιχείου ενεργητικού στα ωφέλιμα χρόνια της ζωής του.

Κεφ. 1, ενότ. 1.1, σελ. 14.

Depreciation is added back to profit before taxation after interest when calculating the cash flow from operations because **it is a non-cash expense**.

Η απόσβεση προστίθεται στο κέρδος πριν τη φορολογία για τον υπολογισμό των ταμειακών ροών από λειτουργικές δραστηριότητες γιατί είναι **έξοδο που δεν πληρώνεται με μετρητά**.

Κεφ 6, ενότ. 6.3, σελ 129.

(MARKS 2)**(QUESTION 4: TOTAL MARKS 20)**

QUESTION 5

a)

Vatili Sunset plc**Statement of Profit or Loss for the year ended 31 December 2023**

	€
Revenue	3.000.000
Cost of sales	(1.877.550)
Gross profit	1.122.450
Distribution costs	(376.800)
Administrative expenses	(257.050)
Profit from operations	488.600
Finance cost	(60.000)
Profit before tax	428.600
Corporation tax	(53.575)
Net profit for the year	375.025

Note (Working) 1: Cost of sales

	€
Opening inventory	302.550
Add Purchases	1.900.000
Less Closing inventory	(325.000)
	1.877.550

Note (Working) 2: Distribution expenses:

	€
Rent and rates ($€144.000 \times 7.500/10.000$)	108.000
Advertising expenses ($€12.000 + €12.000$)	24.000
Carriage outwards	33.000
Shop, delivery and marketing wages ($€16.900 \times 10$)	169.000
Shop staff commission ($€3.000.000 \times 1\%$)	30.000
Depreciation on delivery vans ($€100.000 - €36.000$) $\times 20\%$	12.800
	376.800

Note (working) 3: Administrative expenses

€

Auditors' fees	6.000
Irrecoverable debts (26.000 + 5.000)	31.000
Allowance for receivables (415.000 – 5.000) x 2,5% = 10.250 – 9.000 = 1.250 increase	1.250
Directors' remuneration	102.000
Rent and rates (€144.000 x 2.500/10.000)	36.000
Office staff salaries (€18.200 x 4)	72.800
Depreciation on office equipment (80.000 x 10%)	8.000
	<u>257.050</u>

(MARKS 17)**b) Statement of Changes in Equity for the year ended 31 December 2023**

	Share Capital	Share Premium	Retained earnings	Total
	€	€	€	€
Balance at 1 January	2.000.000	200.000	55.000	2.255.000
Rights issue*	200.000			200.000
Profit for the year			375.025	375.025
Dividends paid			(90.000)	(90.000)
Balance at 31 Dec	<u>2.200.000</u>	<u>200.000</u>	<u>340.025</u>	<u>2.740.025</u>

Rights issue = 2.000.000 x 1/10 = €200.000

(MARKS 3)**(QUESTION 5: TOTAL MARKS 20)****GRAND TOTAL MARKS 100****ΤΕΛΟΣ**