ΥΠΟΥΡΓΕΙΟ ΠΑΙΔΕΙΑΣ ΚΑΙ ΠΟΛΙΤΙΣΜΟΥ
ΔΙΕΥΘΥΝΣΗ ΑΝΩΤΕΡΗΣ ΚΑΙ ΑΝΩΤΑΤΗΣ ΕΚΠΑΙΔΕΥΣΗΣ
ΥΠΗΡΕΣΙΑ ΕΞΕΤΑΣΕΩΝ

ΠΑΓΚΥΠΡΙΕΣ ΕΞΕΤΑΣΕΙΣ 2009

Μάθημα: ΛΟΓΙΣΤΙΚΗ

Ημερομηνία και ώρα εξέτασης: Τετάρτη 3 Ιουνίου 2009
7:30 - 10:30

ΤΟ ΕΞΕΤΑΣΤΙΚΟ ΔΟΚΙΜΙΟ ΑΠΟΤΕΛΕΙΤΑΙ ΑΠΟ ΕΝΝΕΑ (9) ΣΕΛΙΔΕΣ

<u>ΟΔΗΓΙΕΣ:</u>

- Να απαντήσετε σε όλες τις ερωτήσεις.
- Όλοι οι υπολογισμοί πρέπει να φαίνονται καθαρά στο γραπτό σας.
- Επισυνάπτεται Τυπολόγιο Λογιστικών Αριθμοδεικτών τεσσάρων (4) σελίδων.

QUESTION 1

Y. Yiannakou and G. Georgiou have been in partnership for many years sharing profits and losses 3:2 respectively. The partnership agreement also provides for 6 % interest per annum on partners' loan and 10 % interest per annum on partners' capital and drawings. G. Georgiou receives a salary of €8.000 per annum.

The following Trial Balance had been extracted from the books of Y. Yiannakou and G. Georgiou as at 31 December, 2008 after the preparation of the Trading account:

	Debit	Credit
	€	€
Partners' Capital:		
- Y. Yiannakou		35.000
- G. Georgiou		20.000
Loan (Y.Yiannakou, 1 Oct 2008)		8.000
Y. Yiannakou Current account		4.000
G. Georgiou Current account	3.000	
Y.Yiannakou Drawings	7.000	
G.Georgiou Drawings	8.000	
Gross Profit for the year		80.000
Selling and Distribution expenses	22.700	
Administration expenses	14.500	
Finance expenses	1.900	
Bank Overdraft		2.000
Premises	100.000	
Provision for Depreciation on Premises		25.000
Motor Vehicles	16.000	
Provision for Depreciation on Motor Vehicles		8.000
Stock on 31 Jan., 2008	12.000	
Debtors	36.800	
Creditors		8.300
Bank long-term Loan		27.000
Provision for Bad and Doubtful Debts		1.600
Commission Received		3.000
	221.900	221.900

The following adjustments are to be made for the preparation of the Profit and Loss account:

1. Selling and distribution expenses accrued at 31 December, 2008 were €1.500.
2. Administration expenses prepaid at 31 December, 2008 were €800.
3. Commission received in advance amounted to €500.
4. Bad debts to be written off amounted to €800.

5. The provision for bad and doubtful debts should be adjusted to 4% on the debtors balance.
6. Depreciation is to be provided for the year as follows:
   i. 4% on Premises using the straight line method and
   ii. 20% on Motor vehicles using the reducing balance method.

REQUIRED:

Prepare:

(a) The Partnership Profit and Loss and Appropriation accounts for the year ended 31 December, 2008. **(marks 9)**
(b) The Partners' Current accounts (in columnar form) for the year 2008. **(marks 6)**
(c) The Balance Sheet as at 31 December, 2008. **(marks 5)**

(Total marks 20)

QUESTION 2

Exercise 1

On 1 January 2007 the balances in the books of Sunrise Ltd were €54.000 and €16.500 for Motor Vehicles account and Provision for Depreciation on Motor Vehicles account respectively.

On 1 September 2007 the company received a cheque amounting €7.500 for the sale of one Motor Vehicle which had been purchased on 1 June 2005 for €12.000.

On 1 October 2008, the company purchased a new Motor Vehicle for €10.000 by cheque. Depreciation is charged at 20% per annum on cost using the straight line method for each month of ownership.

REQUIRED:

Prepare for the years ended 31 December 2007 and 2008:

(a) Motor Vehicles account **(marks 4)**
(b) Provision for Depreciation on Motor Vehicles account **(marks 6)**
(c) Motor Vehicles Disposal account. **(marks 2)**

Exercise 2

S. Papas, a sole trader, has a Head Office in Nicosia and a branch at Limassol. Both keep full accounting records. Goods are sent to branch by Head Office at cost price.

Trial balances extracted on 31 December, 2008 were as follows:

	Head Office	Branch
	€	€
Sundry Assets	231.600	40.800
Branch Current account	68.400	-
(including goods €1.600		
not yet received by branch)		
Remittances to Head Office	-	67.200
	300.000	108.000
Capital	200.000	-
Sundry Creditors	34.800	24.800
Remittances from branch	65.200	-
Head Office currrent account	-	83.200
(including net profit for the		
year €16.400)		
	300.000	108.000

REQUIRED:

(a) Prepare in the books of the Head Office, the “Branch Current account” and in the books of the Branch, the “Head Office current account” reconciling the balances of the two accounts. **(marks 5.5)**

(b) Take out the two Trial balances, after making the necessary adjustments. **(marks 2.5)**

(Total marks 20)

QUESTION 3

Anderson & Brown are partners sharing profits and losses in the proportion of 3:2 respectively.

Balance Sheet of Anderson & Brown as at 31 December, 2008

	€	€		€	€
Fixed Assets			Partners Capital A/cs		
Land & Buildings	600.000		Anderson	500.000	
Motor Vans	60.000		Brown	300.000	800.000
Furniture & Fittings	40.000	700.000			
			Partners Current A/cs		
Current Assets			Anderson(credit b/ce)	40.000	
Stock	100.000		Brown (debit balance)	(12.000)	28.000
Debtors	26.000				
Bank	24.000	150.000	Current Liabilities		
			Creditors		22.000
		850.000			850.000

After the recent crisis in global economic markets, the partnership decided to strengthen its financial position and both partners agreed to sell their business to Eluama plc.

On 1 January 2009, Eluama plc was formed with an authorised share capital of 800 000 ordinary shares of €3 each and took over all the above assets and liabilities except bank balance.

Eluama plc revalued the assets taken over as follows:

	€	
Land & Buildings	730.000	
Motor Vans	40.600	
Furniture & Fittings	30.000	
Stock	110.000	
Debtors	23.400	(difference being provision for doubtful debts)

The purchase consideration for the sale of the partners business, was agreed to €950.000 and it was discharged by a cash payment of €50.000 and the balance by allocating to the partners ordinary shares at par value in Eluama plc.

In order to finance the purchase of the partnership Eluama plc issued to the public additional 60 000 ordinary shares at a premium of 20%. The issue was successful and all the shares were subscribed and fully paid.

Eluama plc paid preliminary expenses of €5.000.

Any balance in partners’ capital accounts is to be settled by cheque.

REQUIRED:

(a) In the books of the partnership prepare:

i. Realisation account **(marks 4)**
ii. Partners´ Capital accounts **(marks 4)**
iii. Bank account **(marks 1.5)**
iv. Eluama plc account. **(marks 1.5)**

(b) Prepare in the books of Eluama plc the journal entries, including those relating to cash, to record the above transactions.
Narrations are not required. **(marks 9)**

(Total marks 20)

QUESTION 4

The following balances were extracted after the preparation of the Final accounts of Exporters Ltd on 31 December, 2008:

	€
Ordinary Share Capital	300.000
7% Preference Share Capital	200.000
Bank overdraft	40.000
Debtors	120.000
Creditors	90.000
Stock 31 December 2008	100.000
Provision for Depreciation of Office Equipment	8.500
Provision for Depreciation of Motor Vans	20.100
Motor Vans	60.000
Office Equipment	20.200
Buildings	670.000
8% Debenture Loan	150.000
Debentures Interest due	8.000
Proposed Ordinary Share Dividend (due)	22.400
Proposed 7% Preference Share Divided (due)	6.000
Retained Profits 31 Dec. 2008	38.170
General Reserve	50.700
Share Premium	20.400
Provision for Corporation tax	30.930
Expenses prepaid	15.000

Additional information:

1. The Authorised Share capital is €1.000.000 and consists of 400 000 Ordinary Shares of €2 each and 200 000, 7% Preference Shares of €1 each.
2. Net profit for the year ended 31 December, 2008 amounted to €154.650.
3. Total net Sales for the year were €650.000, of which €250.500 Cash Sales.

REQUIRED:

(a) Prepare the Balance Sheet (in vertical form) as at 31 December, 2008. **(marks 12)**

(b) Calculate the following ratios *(to the nearest two decimal places)* **and briefly explain the results**: **(marks 8)**

- **i.** Net profit ratio
- **ii.** Working capital (current) ratio
- **iii.** Debtors' ratio (in months)
- **iv.** Earnings per share ratio

Note: You may present your answer in Greek. **(Total marks 20)**

QUESTION 5

SHIA plc manufactures kitchen tables. Finished kitchen tables are transferred to the central warehouse at factory cost.

The following information has been extracted from the ledger of SHIA plc at 31 December, 2008:

	€
Sales of kitchen tables (12 750 units)	2.400.000
Stocks 1 January 2008:	
Raw materials	52.000
Work in Progress at factory cost	116.000
Finished Stock of kitchen tables (1 800 units)	90.000
Direct wages	240.000
Direct expenses	24.000
Purchases of kitchen tables from external supplier (750 units)	60.000
Fuel and power	28.000
Factory maintenance expense	23.000
Depreciation of production machinery	58.000
Indirect labour	20.000
Factory Rates and Insurances	12.000
Indirect materials	11.000
Purchases of raw materials	320.000
Carriage inwards for raw materials	6.000

Additional information provided is as follows:

	€
1. Stocks at 31 December 2008:	
Raw materials	40.000
Work in progress at factory cost	120.000
Finished Stock of kitchen tables	?

2. 15 000 finished kitchen tables have been transferred from factory to the central warehouse during the year.

REQUIRED:

Prepare for the year ended 31 December, 2008:

i. Manufacturing Account for SHIA plc. **(marks 16)**

ii. Trading account for SHIA plc. **(marks 4)**

Show all your workings for the calculation of Finished stock at 31 December, 2008.

(Total marks 20)

(Grand total marks 100)

THE END