

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

ΠΑΓΚΥΠΡΙΕΣ ΕΞΕΤΑΣΕΙΣ ΠΡΟΣΒΑΣΗΣ 2023

ΜΑΘΗΜΑ: ΛΟΓΙΣΤΙΚΗ (25)

ΗΜΕΡΟΜΗΝΙΑ ΚΑΙ ΩΡΑ: Δευτέρα, 19 Ιουνίου 2023

08:00 - 11:00

**ΠΡΟΤΕΙΝΟΜΕΝΕΣ ΛΥΣΕΙΣ
ΕΝΤΕΚΑ (11) ΣΕΛΙΔΕΣ**

ANSWER 1**PART A**

- i. c *Κεφ. 4, ενότ. 4.6, σελ. 86*
 ii. a *Κεφ. 9, ενότ. 9.3, σελ. 200*
 iii. d *Κεφ. 2, ενότ. 2.2, σελ. 31*
 iv. c *Κεφ. 9, ενότ. 9.5, σελ. 203-204*
 v. b *Κεφ.9, ενότ. 9.4, σελ. 201-202*

10 M**Part B****a)**

Inventory account				
Date	Details	Units	Price per unit	Balance
2023			€	€
Jan. 1	Opening inventory	50	49	2.450
Feb. 2	Purchases	240	51	12.240
May 17	Purchases	<u>100</u>	52	<u>5.200</u>
		390	*51	19.890
June 15	Cost of sales	<u>(270)</u>	51	<u>(13.770)</u>
		120	51	6.120
Nov. 25	Purchases	<u>60</u>	54	<u>3.240</u>
		180	**52	9.360
Dec. 1	Cost of sales	<u>(100)</u>	52	<u>(5.200)</u>
Dec. 31	Closing inventory	<u>80</u>	52	<u>4.160</u>

$$AVCO = \frac{\text{Total Inventory Cost}}{\text{Total units}}$$

7 M

*(19.890:390)

**(9.360:180)

b) Statement of Profit or Loss (trading section) for the year ended 31 December 2022

	€
Sales (270 x €90) + (100 x €100)	34.300
Less cost of sales (13.770 + 5.200)	(18.970)
Gross profit	15.330

Alternative way:

	€	€
Sales (270 x €90) + (100 x €100)		34.300
Less Cost of sales:		
Opening inventory	2.450	
Purchases (12.240 + 5.200 + 3.240)	<u>20.680</u>	
	23.130	
Less Closing inventory	<u>(4.160)</u>	<u>(18.970)</u>
Gross profit		<u>15.330</u>

2 M

c)

- Το περιοδικό σύστημα απογραφής αποθεμάτων προσδιορίζει την ποσότητα των αποθεμάτων με την πραγματοποίηση φυσικής απογραφής. ή
- Το περιοδικό σύστημα απογραφής εφαρμόζεται όπου η επιχείρηση έχει σχετικά μικρές ποσότητες αποθεμάτων των οποίων η καταμέτρηση είναι εφικτή.
- A periodic inventory system determines the quantity of inventory by taking a physical inventory count. or
- A periodic inventory system is best suited for smaller businesses that don't keep too much stock in their inventory.

1 M

Κεφ. 2, ενότ. 2.3, σελ. 33

(Total Marks 20)

ANSWER 2

PART A

	€	€
Direct materials		
Purchases of raw materials		250.000
Carriage inwards on raw materials		3.000
		253.000
Less Closing inventory		(53.000)
Cost of materials used		200.000
Direct labour		
Direct wages [(165.000+15.000) x 2/3]		120.000
Direct expenses		
Manufacturing royalties		8.000
Prime cost		328.000
Factory overheads		
Indirect wages [(165.000+15.000) x 1/3]	60.000	
Factory rent [98.000/14 = 7.000x12]	84.000	
Employees life insurance (18.000x8/12)	12.000	
Factory fuel and power	77.000	
Other production expenses	40.000	
Depreciation on plant and machinery	20.000	293.000
		621.000
Work in progress		
Less: Closing work in progress		(21.000)
Production cost of goods completed		600.000
Manufacturing Profit		120.000
Transfer price of goods competed transferred to the Statement of Profit or Loss		720.000

11 M

(b) Ο σκοπός σύνταξης του λογαριασμού παραγωγής είναι:

- ο υπολογισμός του κόστους παραγωγής των προϊόντων που παράγει μια επιχείρηση. **ή**
- το κόστος ανά μονάδα προϊόντος **ή** να καθορίζει την τιμή πώλησης.

The purpose of preparing Manufacturing account is to determine:

- the cost of production goods. **or**
- the cost per unit or estimated selling price.

1 M

Κεφ. 3, ενότ. 3.1, σελ. 51

ANSWER 2

PART B

Fixed cost (total)	€	Variable cost per unit	€
Rent (€2.000 x 4)	8.000	Direct labour	8
Salaries	41.700	Packing cost	5
Bank loan interest (45.000 x 4% x 2/12)*	300	Cost of ingredients	16
Depreciation	2.500	Royalties	1
Total fixed cost	of 52.500	Variable cost per	of 30

Contribution per birthday cake (per unit) = Selling price – Variable cost per bottle
= 45 – 30 = **€15 of**

Break even point = $\frac{\text{Fixed cost}}{\text{Contribution per bottle}}$

Break even point = $\frac{52.500}{15} = \mathbf{3\ 500\ cakes}$

7 M

(b) Οποιαδήποτε απάντηση από τις πιο κάτω:

- είναι η διαφορά μεταξύ του νεκρού σημείου και της μέγιστης παραγωγής/πώλησης προϊόντων. **ή**
- το περιθώριο κατά το οποίο μπορεί να μειωθεί η παραγωγή/πώληση πριν η επιχείρηση αρχίζει να πραγματοποιεί ζημιές.
- The margin of safety is the difference between actual sales and break-even sales. **or**
- The margin of safety can be defined as the amount by which sales can decrease before losses are incurred by the company.

1 M

(Total Marks 20)

ANSWER 3
PART A

(a) Journal

2023		Dr	Cr
April 1	Cash/Bank (€3 x 4 500 000*)	13.500.000	
	Share premium (€2 x 4 500 000)		9.000.000
	Ordinary share capital (€1 x 4 500 000) (*27 000 000 shares x 1/6)		4.500.000
June 30	7% Debentures	10.000.000	
	Cash/Bank		10.000.000
June 30	Debenture interest	350.000	
	Cash/Bank		350.000
	[(7%x10.000.000)x6/12]=350.000		
July 8	Dividends/retained earnings	300.000	
	Cash/Bank		300.000

Alternative:

Οι δύο εγγραφές στις 30 Ιουνίου μπορούν να γίνουν σε μία ως εξής:

June 30	7% Debentures	10.000.000	
June 30	Debenture interest (7%x10.000.000)x6/12	350.000	
	Cash/Bank		10.350.000

6 M

(b)

Nominal value of shares: €27.000.000 + €4.500.000 = €31.500.000

Total dividend for the year: €31.500.000 x4%= €1.260.000

Dividend paid = Total dividend – interim dividend

$$= €1.260.000 - €300.000 = €960.000$$

2 M

ANSWER 3

PART B

(a) i. Inventory Turnover = $\frac{\text{Cost of Sales}^*}{\text{Average Inventory}^{**}}$ = ? times

$$\text{Inventory Turnover} = \frac{2.400.000^*}{300.000^{**}} = 8 \text{ times}$$

$$\begin{aligned} \text{*Cost of Sales} &= \text{Opening inventory} + \text{purchases} - \text{closing inventory} \\ &= (400.000 + 2.200.000 - 200.000) = 2.400.000 \end{aligned}$$

$$\begin{aligned} \text{**Average inventory} &= (\text{Opening} + \text{closing})/2 = [(400.000 + 200.000)/2] \\ &= 300.000 \end{aligned}$$

2M

ii. Net profit margin = $\frac{\text{Operating profit}^{***}}{\text{Revenue}} \times 100 = \dots \%$

Net Profit margin = $\frac{300.000^{***}}{3.000.000} \times 100 = 10\%$

***Operating Profit = Revenue – Cost of sales – Expenses + Interest

or Operating Profit = Revenue – Cost of sales – (Expenses – Interest)

= 3.000.000 – 2.400.000* -386.000 + [(50.000* +36.000**)] =300.000

*(1.000.000x5%) =50.000

** (1.200.000x3% =36.000

4 M

iii. Gearing = $\frac{\text{Fixed return funding}^{****}}{\text{Total capital employed}^{*****}} = \frac{2.200.000^{****}}{4.000.000^{**}} \times 100 = 55\%$ if correct

Fixed return funding = 5% Bank Loan + 3% Redeemable preference share
= 1.000.000+1.200.000=2.200.000

Total capital employed = 900.000+90.000+1.000.000+1.200.000+810.000
= 4.000.000

4 M

(b) Οποιοδήποτε από τα πιο κάτω:

- Τα κεφάλαια που προέρχονται από δανειοδότες, ενέχουν περισσότερους κινδύνους από αυτά που προέρχονται από τους ιδιοκτήτες-μετόχους της εταιρείας.
- Οι δανειοδότες θα πρέπει να αποπληρωθούν μαζί με τους τόκους, ανεξάρτητα από το αν η επιχείρηση δημιουργεί κέρδος.
- Αν οι δανειοδότες δεν αποπληρωθούν μπορούν ακόμα και να ωθήσουν την επιχείρηση σε πτώχευση, αν αυτή δεν είναι σε θέση να τους εξασφαλίσει το προσδοκώμενο εισόδημα.
- Capital that comes from lenders/creditors is riskier than the money that comes from the company's owners.
- Lenders/creditors still have to be paid back regardless of whether the business is generating income/profits.

Κεφάλαιο 7, ενότ. 7.7 , σελ. 164

2 M

(Total Marks 20)

QUESTION 4**(a) (i)****Property, plant and equipment account**

	€		€
Balance b/d	600.000	Disposal	50.000
Bank	100.000	Balance c/d	650.000
	700.000		700.000

2 M

(ii)**Accumulated depreciation account**

	€		€
Disposal (50 - 20)	30.000	Balance b/d	200.000
Balance c/d	210.000	SOPL – charge for the year	40.000
	240.000		240.000

2 M

(iii)**Disposal account**

	€		€
Property, plant and equipment	50.000	Accumulated depn (50 - 20)	30.000
		Bank – proceeds	9.000
		Loss on disposal	11.000
	50.000		50.000

2 M

(b)

<u>Cash flow from Operating Activities</u>	€	€
Profit before tax	48.000	
Add: Finance cost W1	7.000	
Less: Investment income (interest received)	(12.000)	
Add: Depreciation	40.000	
Add: Amortisation (60.000 – 45.000)	15.000	
Add: Loss on disposal (20.000 – 9.000)	11.000	
Operating cash flow before working capital changes	109.000	
less: increase in inventory	(43.000)	
add: decrease in trade receivables	4.000	
less: decrease in trade payables	(26.500)	
Cash generated from operations	43.500	
Less: Bank loan interest	(4.500)	
Bank overdraft interest	(2.500)	
Less: Income tax paid (5.000 + 6.000 – 4.500) or W2	(6.500)	
Net cash from Operating activities		30.000
<u>Cash flow from Investing activities</u>		
Payment to acquire tangible NCA (50 + 650 – 600)	(100.000)	
Proceeds from sale of tangible NCA	9.000	
Interest received	12.000	
Net cash used in Investing activities		(79.000)
<u>Net cash from Financing activities</u>		7.000
Net Decrease in cash and cash equivalents		(42.000)
Cash and cash equivalents at the beginning of the year		32.000
Cash and cash equivalents at the end of the year		(10.000)
Net Decrease in cash and cash equivalents		(42.000)
<u>Alternative way:</u>		
Net cash from Financing activities		7.000
Net <u>Decrease</u> in cash and cash equivalents		(42.000)
Cash and cash equivalents at the beginning of the year		32.000
Cash and cash equivalents at the end of the year		(10.000)
		14 M

W1**Finance cost**

Interest on bank loan			OR	
100.000 x 5% x 9/12 =	3.750		60.000 x 5% x 12/12 =	3.000
60.000 x 5% x 3/12 =	750	4.500	40.000 x 5% x 9/12 =	1.500
Bank overdraft interest		2.500	Bank OD interest	2.500
Total		7.000	Total	7.000

W2**Income tax account**

	€		€
Bank paid	6.500	Balance b/d	5.000
Balance c/d	4.500	Profit or Loss account	6.000
	11.000		11.000

OR: tax paid = 5.000 + 6.500 – 4.500 = 6.500 tax paid

(Total Marks 20)

ANSWER 5

(a) The company made a bonus issue (1 for 10) €50.000 by utilizing the share premium (Το μετοχικό κεφάλαιο αυξήθηκε λόγω έκδοσης μετοχών δώρου χρησιμοποιώντας το αποθεματικό έκδοσης μετοχών υπέρ το άρτιο).

1 M

(b)**Olympus Supplies plc****Statement of Profit or Loss for the year ended 31 December 2022**

		€
Revenue		4.600.000
Cost of sales	W1	(2.500.000)
Gross profit		2.100.000
Distribution costs	W2	(370.000)
Administrative expenses	W3	(960.000)
Profit from operations		770.000
Finance cost	(500.000 x6%) or (15.000 +15.000)	(30.000)
Profit before tax		740.000
Corporation tax		(92.500)
Net profit for the year		647.500

Workings 1

Cost of sales:	
Opening inventory	500.000
Add Purchases	2.400.000
	2.900.000
Less Closing inventory	<u>(400.000)</u>
	2.500.000

Workings 3		Workings 2	
Administrative exp:	€	Distribution exp:	€
Directors' fees (300.000-80.000)	220.000	Directors' fees or marketing director	80.000
General admin expenses	240.000	Depn on deliv.vehicles (200.000-80.000x25%)	30.000
Auditors' remuneration	18.000	Rent & Rates (135.000x4/9)	60.000
Discount received	(12.000)	Wages & salaries (500.000x40%)	200.000
Rent and Rates (135.000x5/9)	75.000		
Wages and salaries (500.000x60%)	300.000		
Irrecoverable debts (21.400+10.000)	31.400		
Allow.for receivables (5.600-8.000*)	(2.400)		
* (290.000-10.000) x2%			
Depn on Office Equip. (600.000X15%)	90.000		
	960.000		370.000

16 M

b) Statement of Changes in Equity for the year ended 31 December 2022

	Share Capital	Share Premium	Revaluation reserve	Retained earnings	Total
	€	€	€	€	€
Balance at 1/1/22	1.000.000	250.000		(13.000)	1.237.000
Land Revaluation			260.000 (130.000x20%)		260.000
Profit for the year				647.500	647.500
Dividends paid				(90.000)	(90.000)
Balance at 31/12/22	1.000.000	250.000	260.000	544.500	2.054.500

3 M**TOTAL MARKS 20****(GRAND TOTAL MARKS 100)****ΤΕΛΟΣ**