

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

ΠΑΓΚΥΠΡΙΕΣ ΕΞΕΤΑΣΕΙΣ 2010

ΜΑΘΗΜΑ: ΛΟΓΙΣΤΙΚΗ

**ΗΜΕΡΟΜΗΝΙΑ ΚΑΙ ΩΡΑ ΕΞΕΤΑΣΗΣ: Παρασκευή 4 Ιουνίου 2010
07:30 – 10:30**

ΤΟ ΕΞΕΤΑΣΤΙΚΟ ΔΟΚΙΜΙΟ ΑΠΟΤΕΛΕΙΤΑΙ ΑΠΟ ΕΞΙ (6) ΣΕΛΙΔΕΣ

ΟΔΗΓΙΕΣ:

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

QUESTION 1

A

Andrew, Basil and Chris are partners, sharing profits and losses in the proportion of their capitals. The following is their Balance Sheet drawn up on 31 May 2010.

| | € | € | | € | € |
|------------------------------|---------|---------|-----------------------------------|---------|---------|
| <u>FIXED ASSETS</u> | | | <u>CAPITAL A/cs</u> | | |
| Premises | 150.000 | | Andrew | 180.000 | |
| Plant & Machinery | 80.000 | | Basil | 120.000 | |
| Furniture & Fittings | 20.000 | | Chris | 60.000 | 360.000 |
| Motor Vehicles | 90.000 | 340.000 | <u>CURRENT A/cs</u> | | |
| <u>CURRENT ASSETS</u> | | | Andrew | 1.500 | |
| Debtors | 15.000 | | Basil | 2.000 | |
| Bank | 23.000 | | Chris (Dr) | (1.000) | 2.500 |
| Cash | 2.500 | 40.500 | <u>CURRENT LIABILITIES</u> | | |
| | | | Creditors | | 18.000 |
| | | 380.500 | | | 380.500 |

On 1 June 2010 Chris retired from the partnership and it was agreed to revalue certain assets as follows:

| | € |
|-------------------|---------|
| Premises | 184.000 |
| Plant & Machinery | 65.000 |
| Furniture | 19.000 |

The value of Goodwill on that date was €42.000.

A Motor Vehicle valued €15.000 and an amount of €10.000 paid by cheque were given to Chris as a partial payment towards his account. The outstanding balance was left as a temporary loan to the partnership.

Andrew and Basil decided to write off the Goodwill after the retirement of Chris.

REQUIRED:

- The Revaluation A/c. (marks 3.5)
- The Partners' Capital A/cs in columnar form. (marks 6)
- The Balance Sheet after the retirement. (marks 6.5)

(Total marks 16)

B

Cyprus Transport Ltd depreciates its Lorries at the rate of 20% per annum, using the Straight Line method for each month of ownership. On 1 January 2008 the Lorries account showed a debit balance of €240.000. The Provision for Depreciation on Lorries account on the same day was €66.000.

A new Lorry was purchased on 30 April 2008 for €30.000 by cheque.

On 1 October 2009 the company received a cheque amounting to €6.000 for the sale of one Lorry which was purchased on 1 August 2005 for €18.000.

REQUIRED:

Prepare for the years ended 31 December 2008 and 2009:

- a) The Lorries A/c. **(marks 2,5)**
- b) The Provision for Depreciation on Lorries A/c. **(marks 5,5)**
- c) The Lorries Disposal A/c. **(marks 2)**

Note: All your workings must be shown.

(Total marks 10)

QUESTION 2

The following Trial Balance was extracted from the books of OMEGA Ltd on 31 December 2009 after the preparation of the Trading account.

| | € | € |
|--|-------------------|-------------------|
| Ordinary Share Capital | | 400.000 |
| 5% Preference Share Capital | | 200.000 |
| Furniture & Fittings | 50.000 | |
| Provision for Depreciation on Furniture & Fittings | | 5.000 |
| Land and Buildings | 296.000 | |
| Delivery Vans | 60.000 | |
| Provision for Depreciation on Delivery Vans | | 25.000 |
| Debtors | 135.000 | |
| Stock on 31 December 2009 | 220.000 | |
| Provision for Bad Debts | | 7.000 |
| Creditors | | 45.000 |
| Salaries | 70.000 | |
| 6% Debentures (Issued on 1 July 2009) | | 200.000 |
| General Reserve | | 40.000 |
| Interim 5% Preference Share Dividend | 5.000 | |
| Bad Debts | 2.300 | |
| Profit and Loss (balance 1 January 2009) | | 10.000 |
| Directors Remuneration | 20.000 | |
| Debenture Interest paid | 3.600 | |
| Auditors Fees | 15.000 | |
| Goodwill | 60.000 | |
| Gross Profit | | 190.000 |
| Bank | 35.100 | |
| Investments | 150.000 | |
| | €1.122.000 | €1.122.000 |

REQUIRED:

(a) Prepare the Profit and Loss and Appropriation accounts of the company for the year ended 31 December 2009, taking into consideration the following information:

(marks 13)

- The Authorised Share Capital of the Company consists of 250 000 Ordinary Shares of €4 each and 300 000 5% Preference Shares of €2 each.
- Provide for Debenture interest due.

3. Salaries prepaid amounted to €6.000.
4. Depreciation is provided on Furniture and Fittings at 10% on cost (Straight Line method) and on Delivery Vans at 20% on net book value (Diminishing Balance method).
5. Income receivable from Investments €12.000.
6. Provision for bad debts should be adjusted at 5% of debtors.
7. The Directors decided to:
 - Make a provision for corporation tax 10%.
 - Provide for the balance of the 5% preference share dividend and for a 6% dividend on Ordinary Share Capital.
 - Transfer to General Reserve €10.000.
 - Write off Goodwill by €12.000.

(b) Calculate the following ratios (to the nearest two decimal places):

- (I) Earnings per share ratio
- (II) Dividend Yield

(marks 2)
(marks 2)

Note: The market value of the ordinary share, at 31 December 2009 was €6.

(Total marks 17)

QUESTION 3

The following Trial Balance was extracted from the books of ARISTON Manufacturing plc, after the preparation of the final accounts, on 31 December 2009:

| | € | € |
|--|----------|----------|
| Ordinary Share Capital | | 340.000 |
| 8% Preference Share Capital | | 180.000 |
| Factory Buildings | 420.000 | |
| Furniture and Fittings | 40.000 | |
| Motor Vans | 80.000 | |
| Provision for Depreciation on: | | |
| -Factory Buildings | | 42.000 |
| -Furniture and Fittings | | 6.000 |
| -Motor Vans | | 12.000 |
| Stocks 31 December 2009: | | |
| -Raw Materials | 50.000 | |
| -Work in progress | 30.000 | |
| -Finished goods | 120.000 | |
| Debtors and Creditors | 80.000 | 112.700 |
| 7% Debentures | | 60.000 |
| Debenture interest due | | 4.200 |
| Proposed Ordinary Share Dividend | | 20.000 |
| Proposed 8% Pref. Share Dividend | | 4.000 |
| Share Premium | | 22.500 |
| General Reserve | | 30.000 |
| Profit and Loss a/c balance 31 December 2009 | | 15.000 |
| Provision for Corporation Tax | | 26.600 |
| Insurance prepaid | 13.000 | |
| Bank | 42.000 | |
| | €875.000 | €875.000 |

Additional information:

1. The Authorised Share Capital is €800.000 and consists of 250 000 Ordinary Shares of €2 each and 300 000 8% Preference Shares of €1 each.
2. The Net Profit for the year ended 31 December 2009 amounted to €266.000.
3. The total Net Sales for the year were €665.000, out of which €500.000 were on credit.

REQUIRED:

- (a) The Balance Sheet (**in vertical form**) as at 31 December 2009. **(marks 15)**
- (b) Calculate the following ratios (to the nearest two decimal places):
 - (I) Debtors ratio (in days)
 - (II) Current ratio
 - (III) Net Profit ratio
 - (IV) Net Income as a percentage of Equity Capital **(marks 8)**
- (c) Briefly explain the results of (I) and (II) ratios above **(marks 4)**
You may present your answer in Greek.

(Total marks 27)**QUESTION 4**

VERGIN Plc was formed in 2009 with an Authorised Share Capital of 500 000 Ordinary Shares of €10 each. On 1 April 2009 the company offered for subscription 300 000 shares at €12 each, payable as follows:

- €3,00 per share on application
- €5,50 per share on allotment (including the premium)
- €1,00 per share on first call
- and the balance on second and final call.

Applications were received for 380 000 shares. 30 000 of these applications were rejected and the remaining were satisfied pro rata.

Application and allotment money was duly received, but when the first call was asked a shareholder who held 4 000 shares failed to pay, while another shareholder who held 7 000 shares paid them in full.

When the second call was asked, all shareholders paid off their obligations, except the one who held 4 000 shares.

REQUIRED:

The Journal entries, including those relating to cash, to record the above transactions.

Note: Show all your workings.

(Total marks 16)

QUESTION 5

MARCON Plc was formed on 1 March 2009 to take over the private business of Marios Constantinou, whose Balance Sheet on 28 February 2009 was as follows:

| | € | | € |
|------------------|----------------|-----------|----------------|
| Premises | 180.000 | Capital | 360.000 |
| Office Equipment | 35.000 | Creditors | 26.000 |
| Motor Cars | 28.000 | | |
| Stock | 95.000 | | |
| Debtors | 37.000 | | |
| Bank | 11.000 | | |
| | 386.000 | | 386.000 |

The Authorised Share Capital of MARCON Plc consists of 160 000 Ordinary Shares of €5 each.

It was agreed that the company should take over all assets and liabilities at book values, with the exception of Premises and Stock, which were revalued at €230.000 and €63.000 respectively.

It was also agreed that the Goodwill of the business should be valued at three years' purchase price of the average profits of the last four years, which were as follows:

| <u>Year</u> | <u>Profit €</u> |
|-------------|-----------------|
| 2005 | 15.600 |
| 2006 | 19.700 |
| 2007 | 4.100 (loss) |
| 2008 | 24.800 |

The purchase price was discharged by issuing to Marios Constantinou of 70 000 Ordinary Shares at the appropriate price.

You are asked to show:

The following accounts to close the books of Marios Constantinou.

- (I) The Realisation account (marks 7)
- (II) The Capital account (marks 3)
- (III) The Marcon Plc account (marks 2)
- (IV) The Shares in Marcon Plc account (marks 2)

(Total marks 14)

(Grand Total Marks 100)

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