SECTION 1 (120 Marks)
Answer **Question 1** OR any **TWO** other questions

1. Final Accounts of a Sole Trader

The following balances were extracted from the books of M. O'Dea, a Sole Trader as at 31/12/2014:

	€	€
Capital 01/01/2014		198,000
Drawings	10,700	
Buildings	300,000	
Office equipment (cost €22,000)	15,000	
Patents	24,000	
Delivery vans at cost	63,000	
Accumulated depreciation – delivery vans		14,000
Stock 01/01/2014	29,000	
Sales		485,000
Purchases	196,000	
Returns outwards (purchases returns)		5,300
Returns inwards (sales returns)	17,000	
Creditors		21,900
Debtors	34,800	
Discount received		1,400
Wages & salaries	105,000	
General expenses	13,000	
Stationery	4,800	
Term loan (received 01/04/2014)		50,000
VAT		17,300
Provision for bad debts		2,500
Advertising	5,700	
Insurance	9,000	
Loan interest paid	1,000	
Bank	42,600	
PRSI/USC		10,200
Profit/loss balance 01/01/2014		65,000
	870,600	870,600

You are given the following additional information:

(i) Stock for resale at 31/12/2014 was €19,000.

(ii) Stock of stationery on 31/12/2014 was €1,200.

(iii) Provision should be made for interest due on loan. The rate of interest is 6% per annum.

(iv) Wages/salaries are to be divided - 75% for employees/workers and 25% for drawings.

(v) Advertising is for the year ended 31/04/2015.

(vi) Depreciation is to be provided as follows:

Buildings	10% of cost
Delivery vans	10% of net book value
Office equipment	20% of cost

(vii) Provision for bad debts is to be adjusted to 10% of debtors.

Required:

(a) Prepare a Trading and Profit and Loss Account for the year ended 31/12/2014. (80)

(b) Prepare a Balance Sheet as at 31/12/2014. (40)

(120 marks)

1. Final Accounts of a Sole Trader [80]

Trading, Profit and Loss Account of M. O'Dea for the year ended 31/12/14 [1]

Sales					485,000	[4]
Less Sales Returns					17,000	[4]
					468,000	
Less Cost of Sales						
Opening Stock			29,000	[3]		
Purchases	196,000	[4]				
Less Purchases Returns	5,300	[4]	190,700			
			219,700			
Less Closing Stock			19,000	[3]		
Cost of Sales					**200,700**	
Gross Profit					267,300	
Less Expenses						
Administration [1]						
Wages and Salaries	78,750	[6]				
General Expenses	13,000	[3]				
Stationery	3,600	[6]				
Insurance	9,000	[3]				
Depreciation:						
Buildings	30,000	[4]				
Office Equipment	4,400	[4]	138,750			
Selling and Distribution [1]						
Advertising	3,800	[6]				
Increase in Bad Debt Provision	980	[6]				
Depreciation of Delivery Vans	4,900	[4]	9,680		148,430	
					120,270	
Add Gains						
Discount Received					1,400	[3]
Operating Profit					268,700	
Less Loan Interest					2,250	[6]
Net Profit for this year					118,020	
Add Profit and Loss Balance 01/01/2014					65,000	[2]
Profit and Loss Balance 31/12/2014					**183,020**	[2]

Balance Sheet of M. O'Dea as at 31/12/2014 [1] [40]

Intangible Assets						
Patents					24,000	[2]
Fixed Assets	**Cost**		**Dep.**		**NBV**	
Buildings	300,000	[1]	30,000	[2]	270,000	
Equipment	22,000	[1]	11,400	[2]	10,600	
Delivery Vans	63,000	[1]	18,900	[2]	44,100	
	385,000		60,300		324,700	
					348,700	
Current Assets						
Closing Stock			19,000	[3]		
Stock of Stationery			1,200	[3]		
Debtors	34,800	[2]				
Less Bad Debt Provision	3,480	[1]	31,320			
Bank			42,600	[2]		
Advertising Prepaid			1,900	[2]		
			96,020			
Creditors amounts falling due within 1 year						
Creditors	21,900	[2]				
VAT	17,300	[2]				
Loan Interest	1,250	[1]				
PRSI/USC	10,200	[2]	50,650			
Working Capital					45,370	
Net Worth					394,070	
Financed By						
Creditors amounts falling after 1 year						
Loan					50,000	[2]
Capital			198,000	[2]		
Add Profit and Loss Balance			183,020	[2]		
			381,020			
Less Drawings			36,950	[2]	344,070	
					394,070	

SECTION 1 (120 Marks)
Answer Question 1 OR any TWO other questions.

Final Accounts of a Sole Trader

The following balances were extracted from the books of L. Bradley, a Sole Trader, on 31/12/2011.

	€	€
Buildings	240,000	
Motor Vehicles at cost	180,000	
Office Equipment at cost	36,000	
Patents	45,000	
Accumulated Depreciation – Motor Vehicles		48,000
Accumulated Depreciation – Office Equipment		7,100
Capital 01/01/2011		290,000
Sales		570,000
Purchases	320,000	
Carriage Inwards	11,400	
Returns Inwards (Sales Returns)	4,600	
Returns Outwards (Purchases Returns)		2,300
Debtors	58,500	
Creditors		63,700
Wages/Salaries	96,000	
Discount Received		2,700
General Expenses	26,100	
Stationery	3,700	
Stocks 01/01/2011	36,000	
Commission	3,000	
Term Loan (received 01/04/2011)		100,000
Loan Interest paid	4,000	
Insurance	14,300	
Drawings	16,900	
Bank		6,500
VAT		3,100
PRSI		5,000
Advertising	9,400	
Provision for Bad Debts		2,200
Profit/Loss Balance 01/01/2011		4,300
	€1,104,900	€1,104,900

You are given the following additional information:

(i) Stocks for resale at 31/12/2011 were €31,000.

(ii) Stock of Stationery on 31/12/2011 was €600.

(iii) Provision should be made for Interest due on Loan. The rate of interest is 10% per annum.

(iv) Advertising is for the year ended 31/03/2012.

(v) Provision for bad debts to be adjusted to 5% of debtors.

(vi) Depreciation is to be provided as follows:

Buildings	3% of cost
Motor Vehicles	20% of cost
Office Equipment	10% of net book value

(vii) Included in Insurance is a cheque for €800, which is for L. Bradley's private house insurance.

Required:

(a) Prepare a Trading and Profit and Loss Account for the year ended 31/12/2011. (80)

(b) Prepare a Balance Sheet as at 31/12/2011. (40)

(120 marks)

2012

Q.1 **Final Accounts of a Sole Trader**

80

L. Bradley

Trading, Profit and Loss Account for year ended 31/12/2011 [1]

	€		€		€	
Sales					570,000	[3]
Less Returns Inwards					4,600	[3]
Net Sales					565,400	
Less: Cost of Sales						
Stock 01/01/2011			36,000	[2]		
Purchases	320,000	[3]				
Less Returns Outwards	2,300	[3]				
	317,700					
Carriage Inwards	11,400	[3]	329,100			
			365,100			
Stock 31/12/2011			31,000	[2]		
Cost of Sales					334,100	
Gross Profit					231,300	
Less Expenses						
Administration [1]						
Wages	96,000	[3]				
General Expenses	26.100	[3]				
Stationery	3,100	[4]				
Insurance	13,500	[4]				
Depreciation						
Buildings	7,200	[4]				
Equipment	2,890	[4]	148,790			
Selling and Distribution [1]						
Advertising	7,050	[6]				
Bad Debt Provision	725	[5]				
Commission	3,000	[3]				
Depreciation						
Motor Vehicles	36,000	[4]	46,775			
					195,565	
					35,735	
Add Discount Received					2,700	[3]
Operating Profit					38,435	
Less Loan Interest					7,500	[6]
Net Profit for this year					30,935	[2]
Add Profit/Loss Balance 01/01/2011					4,300	[3]
Profit/Loss Balance 31/12/2011					€35,235	[4]

2012

(b) **Balance Sheet of L. Bradley as on 31/12/2011** [1]

40

		€		€		€	
Fixed Assets		**Cost**		**Dep.**		**N.B.V.**	
Buildings		240,000	[1]	7,200	[2]	232,800	
Equipment		36,000	[1]	9,990	[2]	26,010	
Motor Vehicles		180,000	[1]	84,000	[2]	96,000	
		456,000	[1]	101,190		354,810	
Patents						45,000	[2]
						399,810	
Current Assets							
Closing Stock		31,000	[2]				
Stock of Stationery		600	[2]				
Debtors	58,500						
Less BDP	2,925	55,575	[4]				
Advertising Prepaid		2,350	[2]	89,525			
Creditors: amounts falling due within 1 year							
Creditors		63,700	[2]				
Bank		6,500	[2]				
VAT		3,100	[2]				
PRSI		5,000	[2]				
Loan Interest due		3,500	[2]	81,800			
						7,725	
						€407,535	
Financed By:							
Creditors: amounts falling after 1 year							
Loan						100,000	[2]
Capital 01/01/2011				290,000	[2]		
Profit/Loss Balance 31/12/2011				35,235	[1]		
				325,235			
Drawings				17,700	[2]	307,535	
						€407,535	

SECTION 1 (120 Marks)
Answer **Question 1** OR any **TWO** other questions

1. Sole Trader – Final Accounts

The following balances were extracted from the books of B. Nolan, a Sole Trader, on 31/12/2008.

	€	€
Buildings	20,000	
Motor vehicles at cost	130,000	
Office equipment at cost	40,000	
Patents	62,000	
Accumulated Depreciation - motor vehicles		52,000
Accumulated Depreciation - office equipment		16,000
Capital 1/1/2008		330,000
Purchases and Sales	360,000	720,000
Carriage inwards	1,800	
Wages/Salaries	84,000	
Debtors and Creditors	75,000	36,000
Discount received		5,600
Term Loan received 1/4/2008		100,000
Loan Interest paid	5,000	
Commission	7,000	
Returns in	7,300	
Returns out		2,400
Insurance	6,400	
General expenses	14,900	
Provision for bad debts		1,700
Advertising	24,000	
Bank		13,100
VAT		5,700
PRSI		10,000
Drawings	11,200	
Stationery	4,900	
Stocks 1/1/2008	39,000	
	1,292,500	1,292,500

You are given the following additional information:

(i) Stocks at 31/12/2008 were €26,000
(ii) Stock of stationery at 31/12/2008 was €300
(iii) Advertising was for year ended 31/3/2009
(iv) Provision should be made for interest due on loan. The rate of interest is 10% per annum
(v) Wages and Salaries are to be divided -- 70% for employees and 30% for drawings
(vi) Depreciation is to be as follows:

Buildings	2% of cost
Motor Vehicles	20% of cost
Office Equipment	10% of net book value

(vii) Provision for bad debts to be adjusted to 5% of debtors

You are required to prepare:

(a) Trading and Profit and Loss Account for the year ended 31/12/2008 (80)
(b) Balance Sheet as at 31/12/2008 (40)
(120 marks)

2009

Question 1

Trading and Profit and Loss Account of B. Nolan for the year ended 31/12/2008 **80**

	€	€	€
Sales			720,000 [2]
Less Returns In			7,300 [3]
			712,700
Less: Cost of Sales			
Opening Stock		39,000 [2]	
Add Purchases	360,000 [2]		
Less Returns Out	2,400 [3]		
	357,600		
Add Carriage Inwards	1,800 [3]		
		359,400	
		398,400	
Less: Closing Stock		26,000 [2]	
Cost of Sales			372,400
Gross Profit			340,300
Less Expenses			
Administration/ Establishment [1]			
Wages/Salaries	58,800 [6]		
Insurance	6,400 [3]		
Stationery (4,900 - 300)	4,600 [4]		
General Expenses	14,900 [3]		
Depreciation-			
Building 2% of cost	8,400 [4]		
Office Equipment			
10% of NBV	2,400 [4]		
		95,500	
Selling and Distribution [1]			
Advertising (24,000 - 6,000)	18,000 [6]		
Depreciation –			
Motor vehicles 20% cost	26,000 [4]		
Provision for bad debts			
(3,750 - 1,700)	2,050 [3]		
Commission	7,000 [5]	53,050	
			148,550
			191,750
Add Discount received			5,600 [3]
Operating Profit			197,350 [2]
Less Loan Interest (5,000 + 2,500)			7,500 [8]
Net Profit for this year			189,850 [6]

2009

Question 1

40

Balance sheet of B. Nolan as on 31/12/08

	Cost	Accumulated Depreciation	Net Book Value
Intangible Fixed Assets	€	€	€
Patents			62,000 [1]
Tangible Fixed Assets			
Buildings	420,000 [1]	8,400 [2]	411,600
Motor Vehicles	130,000 [1]	78,000 [2]	52,000
Office Equipment	40,000 [1]	18,400 [2]	21,600
	590,000	104,400	547,200
Current Assets			
Closing Stock		26,000 [2]	
Stock – stationery		300 [2]	
Debtors	75,000 [2]		
Less bad debts provision	3,750 [1]		
		71,250	
Advertising prepaid		6,000 [2]	
		103,550	
Creditors: amounts falling due within 1 year			
Loan interest due	2,500 [3]		
Creditors	36,000 [2]		
Bank	13,100 [3]		
VAT	5,700 [2]		
PRSI	10,000 [2]		
		67,300	
Working Capital			36,250
Total Net Assets			583,450
Financed by:			
Creditors: amounts falling due after more than 1 year			
Term Loan			100,000 [2]
Capital		330,000 [2]	
Add Profit/Loss		189,850 [1]	
		519,850	
Less Drawings		36,400 [4]	
			483,450
Capital Employed			583,450

SECTION 1 (120 Marks)
Answer Question 1 OR any TWO other questions

1. Sole Trader – Final Accounts

The following balances were extracted from the books of K. Arnold, a Sole Trader, on 31/12/2002.

	€	€
Patents	60,000	
Buildings	360,000	
Motor Vehicles at cost	110,000	
Accumulated Depreciation on Motor Vehicles		56,000
Office Equipment at cost	24,000	
Accumulated Depreciation on Office Equipment		7,000
Debtors and Creditors	41,000	59,000
Term Loan received on 1/4/2002		120,000
Purchases and Sales	525,000	836,000
Carriage	8,000	
Wages and Salaries	220,000	
Stocks 1/1/2002	63,000	
Returns in	6,000	
Returns Out		4,800
Stationery	2,100	
Provision for Bad Debts		1,800
Commission		3,400
Drawings	17,000	
General Expenses	48,000	
Showroom Expenses	6,500	
Advertising	5,400	
Discount		2,800
Loan Interest paid	6,000	
Capital 1/1/2002		382,500
VAT		6,300
PRSI		2,700
Bank		19,700
	1,502,000	1,502,000

You are given the following additional information:

(i) Stocks at 31/12/2002 were €71,000.
(ii) Stock of Stationery at 31/12/2002 was €600.
(iii) The figure for carriage is to be divided – 80% for carriage outwards and 20% for carriage inwards.
(iv) Wages and salaries are to be divided – 90% for workers and 10% for drawings.
(v) Depreciation is to be provided as follows:

Buildings	-	2% of cost
Motor Vehicles	-	20% of cost
Office Equipment	-	10% of book value.

(vi) Provision should be made for interest due on the term loan at the rate of 10% per annum.
(vii) Advertising was for the year ended 31/3/2003.
(viii) Provision for bad debts to be adjusted to 4% of debtors.

You are required to prepare a:

(a) Trading and Profit and Loss Account for the year ended 31/12/2002. (80)
(b) Balance Sheet as at 31/12/2002. (40)
(120 marks)

Accounting - Ordinary Level 2003

QUESTION 1 - Final Accounts of a Sole Trader

80

(a)

Trading and Profit and Loss Account of for year ended 31/12/2002

		€	€	€
Sales less returns	(€836,000 - €6,000)			830,000 ❺
Less: Cost of Sales:				
Stock 1/1/2002			63,000 ❸	
Add Purchases less returns	(€525,000 - €4,800)		520,200 ❺	
Add Carriage In	(20% x €8,000)		1,600 ❹	
			584,800	
Less Stock 31/12/2002			71,000 ❸	
513,800				316,200
Gross Profit				
Less: Expenses				
Administration expenses ❶				
Depreciation - Buildings		7,200 ❸		
- Office Equipment		1,700 ❸		
Wages	(90% x €220,000)	198,000 ❺		
Stationery	(€2,100 - €600)	1,500 ❺		
General Expenses		48,000 ❹	256,400	
Selling and distribution expenses ❶				
Carriage on sales	(80% x €8,000)	6,400 ❹		
Advertising	(€5,400 - €1,350)	4,050 ❺		
Depreciation - Motor Vehicles		22,000 ❸		
Showroom Expenses		6,500 ❹	38,950	
Total expenses				295,350
				20,850
Add Operating Income				
Commission				3,400 ❸
Decrease in Provision for Bad Debts	(1,800 - 1,640)			160 ❺
Discount				2,800 ❸
Operating Profit				27,210
Interest				(9,000) ❺
Net Profit for year				18,210 ❻

(b) 40

Balance Sheet of at 31/12/2002

	Cost	Acc Dep	NBV	
Intangible Fixed Assets	€	€	€	€
Patents				60,000❷
Tangible Fixed Assets				
Buildings	360,000❶	7,200❶	352,800	
Motor Vehicles	110,000❶	78,000❸	32,000	
Office Equipment	24,000❶	8,700❸		15,300
	494,000	93,900	400,100	400,100
				460,100
Current Assets				
Debtors		41,000❷		
Less: Bad Debts Provision		1,640❶	39,360	
Stock of Goods			71,000❷	
Stock of Stationery			600❷	
Advertising prepaid			1,350❸	
			112,310	
Creditors: amounts falling due within 1 year				
Trade Creditors		59,000❷		
Bank		19,700❷		
VAT		6,300❷		
PRSI		2,700❷		
Interest due		3,000❷	90,700	21,610
				481,710
Financed by:				
Creditors: amounts falling due after more than 1 year				
Term Loan				120,000❶
Capital				
Capital at 1/1/2002			382,500❷	
Add: Net Profit for the year			18,210❶	
			400,710	
Less: Drawings (€17,000 +€22,000)			39,000❹	361,710
				481,710