



SUBJECT: **Accounting**
 PAPER NUMBER: I
 DATE: 2nd June 2021
 TIME: 4:00 p.m. to 6:05 p.m.

Answer **ALL** questions. Questions 1-10 are multiple choice and carry 2 marks each. Questions 11-14 carry 20 marks each.

For questions 1 to 10, copy the following table on your booklet and insert the letter that best describes the correct answer in the row below the question number.

1	2	3	4	5	6	7	8	9	10

- The reason why suppliers would ask for accounting information about your business is that they:
 - are required by law to do so.
 - would want to check the liquidity of your business.
 - would want to know whether you are using the double entry system.
 - would want to know whether or not to invest their money in your business.
- The ledger is a book:
 - of accounts.
 - of original entry.
 - that explains the accounting concepts.
 - in which only cash payments and receipts are recorded.
- Capital expenditure is:
 - the extra capital paid in by the owner.
 - money spent on selling non-current assets.
 - the costs of running the business on a day-to-day basis.
 - money spent on purchasing non-current assets or adding value to them.
- With regard to non-current assets, the prudence concept states that:
 - the rate and method of depreciation should not be changed every year.
 - non-current assets are shown at cost price so they should not be depreciated.
 - depreciation consists of the value of the non-current assets used up in a particular period.
 - depreciation should be such that non-current assets are not overstated.

Please turn the page.

5. An allowance for trade receivables (doubtful debts) is created:
 - a) to write off irrecoverable debts.
 - b) when trade receivables become bankrupt.
 - c) to provide for possible irrecoverable debts.
 - d) when trade receivables cease to be in business.

6. At the end of the financial year, the credit balance in the recovered debts (bad debts recovered) account is transferred to:
 - a) the statement of financial position.
 - b) the statement of profit or loss.
 - c) allowance for trade receivables account.
 - d) both B and C are correct.

7. Kelinu started a business with €10,000 in cash and a vehicle worth €5,000. At the end of his first year in business, he has €2,000 in the bank and the vehicle is now worth €4,000. He has inventories valued at €5,000 and trade receivables amounting to €2,000. If he has withdrawn €2,000 from the business during the year for private expenses, he has made:
 - a) neither a profit nor a loss.
 - b) a profit of €4,000.
 - c) a loss of €4,000.
 - d) a loss of €2,000.

8. The apportionment of cost is applied when the overhead cost is related to:
 - a) different departments.
 - b) specific departments.
 - c) different ledgers.
 - d) specific ledgers.

9. Which of the following expenses is classified as a variable cost?
 - a) heating and lighting expenses.
 - b) production direct wages.
 - c) insurance expenses.
 - d) both A and B are correct.

10. Accounting ratios are calculated:
 - a) to check the arithmetical accuracy of the double entry system.
 - b) to calculate the net profit when there are incomplete records.
 - c) so that useful comparisons can be made.
 - d) because they are required by law.

(Total: 20 marks)

11. Connie Vidal cannot understand why her accountant is asking her to record the value of the goods that she takes from the business of which she is the sole owner. In Connie's opinion, these are her goods and she can take as much as she wants without having to account to anyone.
 - a) State the accounting term for goods taken by the owner from the business. (1)
 - b) i) State the accounting concept that the accountant should explain to Connie as to why goods taken by the owner from the business are to be recorded. (1)

- ii) Briefly explain the accounting concept you stated in b) (i), above, and illustrate by means of another example when this concept should be used. (3)
- c) Explain what accounting concepts are. (1)
- d) In which book of original entry should goods taken by the owner from the business be recorded? Show the entry that should be made in this book if Connie takes €1,000 worth of goods from her business. (4)
- e) As at 1st April 2021, the trial balance of Connie Vidal included the following debit balances of her trade receivables: D. Vella €2,500; R. Sant €780; P. Mifsud €1,000.
 Connie Vidal had the following transactions for the month of April 2021:
 02 Credit sales to: D. Vella €3,300; L. Scicluna €2,450.
 08 Sent invoices (amounts net of trade discount) to: J. Schembri €1,900.
 16 Returns inwards from: J. Schembri €220.
 20 Credit sales to: P. Mifsud €1,150.
 27 Sent credit note for returns to: L. Scicluna €870.
 30 Received payment by cheque for full settlement of the balances at 1 April 2021.

Required:

- i) Record the balances on 1 April 2021 and post the transactions above in the Sales Ledger of Connie Vidal; (6)
- ii) Balance the accounts in the sales ledger as at 30 April 2021; (2)
- iii) How much was Connie owed by her accounts receivable as at 30 April 2021? Under which sub-heading would this figure be shown in the statement of financial position? (2)

(Total: 20 marks)

12. Besides not understanding why she has to account for goods that she takes from her own business, Connie Vidal also does not understand why her accountant keeps asking her for information about the period for which a bill was paid or receipts were received. In Connie's opinion, an expense paid during a particular year should be shown in the Statement of Profit or Loss according to how much was paid during that year.

- a) i) State the accounting concept that the accountant should explain to Connie as to why she keeps asking her for information about the period for which a bill was paid or receipts were received. (1)
- ii) Briefly explain the accounting concept you stated in (a) (i), above. (2)
- b) Where in the current asset sequence are prepaid expenses placed? (1)
- c) Explain the accounting treatment of prepaid rent receivable. (3)
- d) Show how the concept you stated in (a), above, is applied to the need to allow for depreciation of non-current assets. (2)
- e) The following information for the financial year ended 31 December 2020 related to the business of Connie Vidal:
- A loan of €50,000 was received on 1 April 2020. Annual interest of 5% on the total amount borrowed is paid half-yearly on 30 September and 31 March.
 - The business receives rent, quarterly in arrears on 1 January, 1 April, 1 July and 1 October. The rent for 2020 was €1,400 monthly.
 - Insurance was prepaid by €1,200 on 1 January 2020. During the year, insurance payments amounted to €15,000. These payments are the annual premium for the year ending 31 January 2021.

This question continues on next page.

- As at 1 January 2020, the bill for water & electricity for the last two months of 2019 had not yet been paid. This amounted to €850. It was paid during 2020, when the total payments for water & electricity was €5,500. In the same way, as at 1 January 2021, the bill for the last two months of 2020, which amounted to €1,050, was paid during 2021.

For each of the above, you are required to calculate:

- i) the amount accrued or prepaid as at 31 December 2020; (5)
- ii) the amount to be transferred to Profit or Loss. (6)

You may **copy** the following table and write your answers in it. However, you are also to show your workings for each.

	Note (Working)	(i) Amount prepaid/accrued	(ii) Transfer to Profit or Loss
		€	€
Loan interest			
Rent receivable			
Insurance			
Water & electricity			

(Total: 20 marks)

13. The business of Carl Marks grew exponentially during 2020 when he started selling online, accepting credit and making deliveries during the lockdown. His accountant warned him that he would now need to keep more books than just one ledger to record all these transactions.

- a) Name **TWO** Day Books that Carl could start using. (2)
- b) For each of the Day Books you named in (a), above, name a source document required to complete the Day Book. (2)
- c) Carl’s accountant divided his ledger into three ledgers, being the general ledger, the sales ledger and the purchases ledger.
 - i) Give **TWO** examples of accounts that might be included in Carl’s general ledger. (2)
 - ii) Which type or class of accounts would be included in Carl’s purchases ledger? (1)
- d) Briefly describe **THREE** advantages of maintaining books of original entry. (3)
- e) On 30 April 2021 the bank balance in the cash book of Carl Marks showed a debit balance of €540. On examining the bank statement, he noticed the following:
 - i) Bank charges of €280 were not recorded in the cash book;
 - ii) Cheques paid to Rosa and Aurelia €810 and €270 respectively had not been presented to the bank for payment;
 - iii) A bank transfer of €460 for the payment of insurance had not been included in the cash book;
 - iv) Deposits into the bank of €1,800 were not yet recorded in the bank statement;
 - v) A credit transfer of €930 from a trade receivable was only recorded in the bank statement.

Required:

- i) An updated cash book at 30 April 2021; (5)
- ii) A bank reconciliation statement as at 30 April 2021 calculating the balance in the bank statement. (5)

(Total: 20 marks)

14. The following are the summarised Statements of Financial Position for the businesses of Connie Vidal and of Carl Marks as at 31 December 2020. Study these statements, then answer questions (a) to (e), below.

	Connie Vidal		Carl Marks	
	€	€	€	€
ASSETS				
Non-current assets at NBV		100,000		140,000
Current assets		<u>50,000</u>		<u>70,000</u>
Total assets		<u>150,000</u>		<u>210,000</u>
CAPITAL & LIABILITIES				
Opening balance of capital	100,000		120,000	
Add Net profit	40,000		40,000	
Less Drawings	<u>65,000</u>		<u>25,000</u>	
Closing balance of capital		75,000		135,000
Non-current liabilities		50,000		40,000
Current liabilities		<u>25,000</u>		<u>35,000</u>
Total capital & liabilities		<u>150,000</u>		<u>210,000</u>

- a) Name the purpose of the Trading Account and the purpose of the Profit and Loss Account in the Statement of Profit or Loss (Income Statement). Briefly describe these **TWO** items. (3)
- b) State **ONE** similarity and **ONE** difference between the Trial Balance and the Statement of Financial Position. (2)
- c) Briefly explain the going concern concept and describe **ONE** instance when this concept should **not** be applied in the statement of financial position. (3)
- d) From the Statements of Financial Position above:
- Calculate the working capital and the capital employed of both businesses. (2)
 - Explain the significance of the working capital and the capital employed. (2)
- e) From the Statements of Financial Position above calculate the following ratios for the businesses of Connie Vidal and Carl Marks:
- Return on capital employed (ROCE); (4)
 - Current ratio. (4)

(Total: 20 marks)



SUBJECT:	Accounting
PAPER NUMBER:	IIA
DATE:	3 rd June 2021
TIME:	4:00 p.m. to 6:05 p.m.

Answer **BOTH** questions in Section A and **ANY TWO** questions from Section B.

SECTION A:

Answer BOTH questions in this Section. This Section carries 60 marks.

1. The following trial balance relating to Gianelle's business was extracted from the ledger accounts on 31 December 2020:

	€	€
Buildings	250,000	
Equipment	60,000	
Allowance for depreciation of buildings 1 January 2020		5,000
Allowance for depreciation of equipment 1 January 2020		12,000
5% Loan		40,000
Trade receivables	18,000	
Trade payables		11,500
Sales		435,600
Inventory at 1 January 2020	15,700	
Purchases	275,100	
Carriage on purchases	3,400	
Carriage on sales	1,540	
Sales returns and purchases returns	2,600	2,200
Cash in hand	100	
Bank overdraft		7,550
Drawings	25,400	
Allowance for doubtful debts 1 January 2020		800
Rent	9,000	
Wages	21,600	
Commission receivable		900
Water & electricity	3,700	
Communication expenses	1,250	
Maintenance of equipment	620	
Discounts allowed and received	690	1,800
Interest on loan	1,000	
Cleaning expenses	1,450	
Insurance	4,200	
Account payable for equipment		18,000
Capital		160,000
	695,350	695,350

This question continues on next page.

The following year-end additional information was provided to prepare the final accounts:

- i) The value of inventory at the end of the year amounted to €17,700.
- ii) Commission receivable is 1% of the annual net purchases.
- iii) The rent expense is €1000 per month.
- iv) Water & electricity consumed but not paid was €850.
- v) Buildings are depreciated at 2% per annum by the straight line method whereas equipment is depreciated annually at 20% by the reducing balance method.
- vi) The loan interest for the second half of the year has not been paid.
- vii) The insurance payments include a prepayment of €200 for next year.
- viii) The allowance for doubtful debts in the trial balance is in respect of a trade receivable who was declared bankrupt during this year. No accounting entries were made to record the write off of the customer's account.
- ix) An inspection of the trade receivables' list at the end of the year revealed that €1,100 due from a customer has been very long overdue. It is very unlikely that this amount will be received. The allowance for doubtful debts at the end of the year was to reflect this.

Required:

- a) A statement of profit or loss for the year ended 31 December 2020. (17)
- b) A statement of financial position as at 31 December 2020. (13)

(Total: 30 marks)

2. Michele's statement of financial position as at 31 December 2019, included the following balances:

	Cost	Depreciation
	€	€
Machinery	80,000	?
Motor vehicles	55,000	21,000

Machinery listed above relate to the acquisition of two machines. The cost of each machine and the date of purchase is shown below:

	Cost	Date of purchase
Machine 1 (M1)	€50,000	1 January 2017
Machine 2 (M2)	€30,000	1 April 2018

During the year ended 31 December 2020 the following non-current asset transactions took place:

- 1 May 2020 The purchase of a new machine costing €20,000.
- 1 May 2020 The sale of machine 2 (M2) for €15,000.

- 1 July 2020 A motor vehicle bought for €11,000 on 1 July 2018 was sold for €6,000.
- 1 July 2020 The purchase of a new motor vehicle costing €15,000.

It is Michele's policy to provide a whole year's depreciation to the non-current assets held at the end of the financial year using the following methods and rates:

Machinery	Reducing balance method	30% p.a.
Motor vehicles	Straight line method	20% p.a.

Required:

- a) Calculate the accumulated depreciation of machinery on 1 January 2020. (4)
- b) Prepare the following accounts for the year ended 31 December 2020:
 - i) The machinery account. (4)
 - ii) The machinery allowance for depreciation account. (5)
 - iii) The machinery disposal account. (4)
 - iv) The motor vehicles account. (4)
 - v) The motor vehicles allowance for depreciation account. (5)
 - vi) The motor vehicles disposal account. (4)

(Total: 30 marks)

SECTION B:

Answer ANY TWO questions from this Section. This Section carries 40 marks.

- 3. Mika runs a pet shop. She did not keep proper books of account, however, it was possible to extract the following details from the few records that are available.

Balances as at	1 May 2020	30 April 2021
	€	€
Inventory, at cost	15,000	17,500
Trade receivables	18,500	27,400
Trade payables	14,300	12,900

The bank account for the year to 30 April 2021 includes:

	€		€
Trade receivables	165,000	Trade payables	107,500
Cash sales banked	4,200		

Mika’s sales are mainly on credit. However, she has a few customers who pay immediately in cash. All cash sales are banked except for €1,000 every month which Mika keeps for her personal use.

Additional information:

- Sales returns and purchases returns of €3,400 and €1,900 respectively were recorded during the year to 30 April 2021.
- Discounts allowed and received of €750 and €600 respectively were also recorded in this financial year.
- A set-off of €550 between a trade receivable account and a trade payable account was made in December 2020.

Required:

- a) The trade receivables control account (sales ledger control account). (7)
- b) The trade payables control account (purchases ledger control account). (7)
- c) The statement of profit or loss for the year ended 30 April 2021 to calculate the gross profit (the trading account). (6)

(Total: 20 marks)

Please turn the page.

4. The statements of financial position of Pinu on 31 December 2019 and 2020 include the following items:

	2019	2020
	€	€
Current Assets		
Other receivables:		
Prepaid insurance	200	350
Prepaid communication expenses	800	300
Accrued rent receivable	700	nil
Current Liabilities		
Other payables:		
Accrued wages	nil	2,500
Accrued communication expenses	250	675
Prepaid rent receivable	nil	1,400

During the year ended 31 December 2020 the following receipts and payments were recorded:

	€
Wages total for year	38,200
Insurance total for year	6,420
Payments for communication expenses	8,100
Rent received	10,500

Required:

Prepare the following accounts for the year ended 31 December 2020:

- a) The insurance account. (4)
- b) The wages account. (4)
- c) The communication expenses account. (6)
- d) The rent receivable account. (6)

(Total: 20 marks)

5. Lana designed a board game and after receiving a lot of encouragement from her friends on 1 April 2020 she decided to start her own business producing this board game. She managed to provide you with the following information as at 31 March 2021:

	€
Machinery	40,000
Machine maintenance	1,200
Direct manufacturing wages	23,000
Raw material purchases	17,000
Transport of raw materials	800
Factory power	2,400
Cleaning of machinery	600
Factory rent	3,000
Indirect factory wages	9,400
Indirect materials	4,300
Factory insurance	1,700
Selling & distribution expenses	5,100
Administrative expenses	8,500

The following additional information is also available:

- Machines are depreciated at 10% per annum.
- During this first year of business 5,000 board games were produced.
- The selling price of the board game was set at €21. During the year 4800 games were sold
- Inventories as at 31 March 2021 were as follows:

	€
Raw materials	1,400
Work-in-progress	1,000
Finished goods	?

Required:

- a) The manufacturing account for the year ended 31 March 2021. (12)
- b) Calculate the cost per board game and the value of closing inventory of finished goods. (2)
- c) The statement of profit or loss for the year ended 31 March 2021. (6)

(Total: 20 marks)

Please turn the page.

6. Carina is in business operating a hairdresser salon and a beauty salon. The following are the records she managed to compile for the year ended 31 December 2020:

	€
Fixtures and fittings	20,000
Hairdressing equipment	10,000
Beauty salon equipment	20,000
Inventory 1 January 2020	
Hairdressing	2,000
Beauty salon	1,200
Purchases	
Hairdressing	10,700
Beauty salon	5,800
Inventory 31 December 2020	
Hairdressing	2,400
Beauty salon	900
Sales	
Hairdressing	60,000
Beauty salon	30,000
Wages	
Hairdressing	20,000
Beauty salon	12,000
Water and electricity	6,000
Advertising	4,500
Insurance	2,000
Rent	10,000
General Expenses	3,600
Communication fees	2,500

The following information is also provided:

- i) The depreciation charge for fixtures and fittings is 10%, hairdressing equipment 25% and beauty salon equipment 15% using the straight line method.
- ii) The shop area is divided 75% for hairdressing and 25% for the beauty salon. It was decided to apportion insurance, rent and depreciation of fixtures and fittings between the departments on the basis of floor area.
- iii) Water and electricity, advertising and general expenses are to be apportioned between the departments on the basis of the sales value.
- iv) Communication fees are shared equally between the departments.
- v) Carina agreed with the employees to pay the December 2020 overtime in January 2021. This amounted to €850 to hairdressers and €600 to beauty technicians.

Required:

The departmental statement of profit or loss for the year ended 31 December 2020 showing the profit or loss of each department. (The total column is **NOT** required.)

(Total: 20 marks)



SUBJECT:	Accounting
PAPER NUMBER:	IIB
DATE:	3 rd June 2021
TIME:	4:00 p.m. to 6:05 p.m.

Answer **BOTH** questions in Section A and **ANY FOUR** questions from Section B.

SECTION A:

Answer BOTH questions in this Section. This Section carries 40 marks.

1. The following trial balance relating to Antonio's business was extracted from the ledger accounts on 31 December 2020:

	€	€
Sales		115,620
Equipment	50,000	
Allowance for depreciation of equipment 1 January 2020		10,000
5% Loan		20,000
Trade receivables	12,000	
Trade payables		8,500
Inventory at 1 January 2020	5,600	
Purchases	67,200	
Carriage on purchases	1,800	
Carriage on sales	930	
Cash in hand	100	
Cash at bank	4,500	
Drawings	11,000	
Allowance for doubtful debts 1 January 2020		600
Rent	10,000	
Wages	16,700	
Commission receivable		750
Water & electricity	2,400	
Communication expenses	650	
Maintenance of equipment	1,250	
Discounts allowed	410	
Discounts received		550
Cleaning expenses	580	
Insurance	900	
Capital		30,000
	186,020	186,020

The following year-end additional information was provided to prepare the final accounts:

- i) The value of inventory at the end of the year amounted to €7,600.
- ii) Rent paid in advance at 31 December 2020 amounted to €1,000.
- iii) Water & electricity consumed but not paid was €350.
- iv) Equipment is depreciated annually at 20% by the reducing balance method.

This question continues on next page.

- v) The loan interest for the year has not yet been paid.
- vi) The allowance for doubtful debts was increased to €800 at the end of the year.

Required:

- a) A statement of profit or loss for the year ended 31 December 2020. (12)
- b) A statement of financial position as at 31 December 2020. (8)

(Total: 20 marks)

2. Elena’s statement of financial position as at 31 December 2019, included the following balances:

	Cost	Depreciation
	€	€
Machinery	45,000	15,000
Motor vehicles	40,000	17,000

During the year ended 31 December 2020 the following non-current asset transactions took place:

- 1 May 2020 The purchase of a new machine costing €20,000.
- 1 July 2020 A motor vehicle bought for €12,000 on 1 July 2018 was sold for €7,000.
- 1 July 2020 The purchase of a new motor vehicle costing €14,000.

It is Elena’s policy to provide a whole year’s depreciation to the non-current assets held at the end of the financial year using the following methods and rates:

Machinery	Reducing balance method	20% p.a.
Motor vehicles	Straight line method	20% p.a.

Required:

Prepare the following accounts for the year ended 31 December 2020:

- a) The machinery account. (2)
- b) The machinery allowance for depreciation account. (4)
- c) The motor vehicles account. (4)
- d) The motor vehicles allowance for depreciation account. (5)
- e) The motor vehicles disposal account. (5)

(Total: 20 marks)

SECTION B:

Answer ANY FOUR questions from this Section. This Section carries 60 marks.

3. The following list of balances has been extracted from the books of Boris, at 30 April 2021 a month before the end of the financial year:

	€
Capital	?
Bank overdraft	1,500
Non-current assets	100,000
Inventory 1 June 2020	6,500
Cash	500
Trade Receivables	7,000
Trade payables	4,500
Wages	12,000
General expenses	6,700
Rent receivable	2,400
Irrecoverable debts	400
Drawings	9,100
Sales	108,000
Purchases	91,000
Sales returns	1,500
Purchases returns	2,800

The following are the summarised transactions for the month of May 2021:

- Purchases on credit €5,000.
- Sales on credit €4,900.
- Receipts from trade receivables banked €7,800.
- Payments to trade payables by cheque €5,200 after receiving €300 cash discounts.
- Goods withdrawn by Boris for personal use €400.

Required:

- a) Prepare a trial balance at 30 April 2021 and find the balance of capital. (4)
- b) Record the above transactions in the accounts of Boris for the month of May 2021 starting from the balance brought forward on 1 May 2021. (Balancing off and transfers to the trading and profit and loss account are **not** required.) (11)

(Total: 15 marks)

Please turn the page.

4. Doreen and her friends teamed up to produce masks on 1 April 2020. Doreen managed to provide you with the following information as at 31 March 2021:

	€
Purchases of raw material	5,000
Direct labour	25,000
Direct expenses	3,500
Repairs and maintenance of machines	2,400
Factory rent	5,000
Insurance of machines	350
Stationery and office expenses	45
Power for factory machines	2,140
Cleaning of factory	800
Sales	65,000

The following additional information is also available:

- On 1 April 2020, Doreen bought four sewing machines for €250 each. It was decided to depreciate the machines at 20% per annum.
- The rent expense is €500 per month starting from 1 April 2020.
- Inventories as at 31 March 2021 were as follows:

	€
Raw materials	600
Work-in-progress	400
Finished goods	2,000

Required:

- a) The manufacturing account for the year ended 31 March 2021. (12)
- b) The statement of profit or loss for the year ended 31 March 2021 up to the calculation of gross profit. (3)

(Total: 15 marks)

5. Cesca bought a shop which she turned into a beauty shop under the name 'Shine Bright'. From this shop Cesca offers two services to her clients, a hairdresser salon and nail technician services. Cesca is interested to know how each department is performing. The following are the records she managed to compile for the year ended 31 December 2020:

	€
Fixtures and fittings	15,000
Hairdressing equipment	10,000
Inventory 1 January 2020	
Hairdressing	2,000
Nail Technician	600
Purchases	
Hairdressing	15,200
Nail Technician	3,600
Inventory 31 December 2020	
Hairdressing	3,400
Nail Technician	800
Sales	
Hairdressing	62,700
Nail Technician	35,500
Wages	
Hairdressing	30,000
Nail Technician	15,000
Water and electricity	6,000
Advertising	4,000
Insurance	1,000
Rent	9,000
General Expenses	600
Communication fees	500

The following information is also provided:

- i) The shop area is divided 75% for hairdressing and 25% for nail technician services and it was agreed to apportion the expense between the departments accordingly.
- ii) The depreciation charge for fixtures and fittings is 10% and hairdressing equipment 25% using the straight line method. The depreciation of fixtures and fittings is apportioned on the basis of floor area.
- iii) Rent is €1,000 per month paid and it is paid quarterly in arrears.
- iv) Cesca agreed with the employees to pay the December 2020 overtime in January 2021. This amounted to €650 to hairdressers and €100 to nail technician.

Required:

The departmental statement of profit or loss for the year ended 31 December 2020 showing the profit or loss of each department. (The total column is **not** required.)

(Total: 15 marks)

Please turn the page.

6. Phillip is in charge of the petty cash. He operates the petty cash book on the imprest system. The cash float is €700 and the cash spent is reimbursed at the end of each month. The following are the expenses for the month of April 2021:

		€
6	Photocopier paper	100
7	Toner	125
8	Petrol	50
12	Stationery	80
14	Postage stamps	75
15	Parcel postage	71
16	Stationery	68
20	Cleaning material	13
23	Postage stamp	61
27	Petrol	50

Required:

- a) Draw up a petty cash book with expenditure analysis columns for stationery, petrol, postage, and cleaning and record the above transactions. (12)
- b) Enter the receipt of the amount necessary to restore the imprest system and carry down the balance. (3)

(Total: 15 marks)

7. During the year Nathan was very busy and he did not manage to keep an accounting system. However, he managed to collect the following information in respect of 2020:

		€
1 January 2020	Trade receivables	10,500
	Trade payables	9,400
31 December 2020	Totals for the year ended 31 December 2020:	
	Sales on credit	126,000
	Purchases on credit	101,000
	Cash received from trade receivables	116,500
	Cash paid to trade payables	99,900
	Discount allowed	1,600
	Discount received	2,700
	Irrecoverable debts	650
	Dishonoured cheque	1,100
	Balance in purchases ledger set off against sales ledger	390

Required:

- a) The sales ledger control account for the year showing the balance of trade receivables as at 31 December 2020. (9)
- b) The purchases ledger control account for the year showing the balance of trade payables as at 31 December 2020. (6)

(Total: 15 marks)

8. The statements of financial position of Ralph on 31 December 2019 and 2020 include the following items:

	2019	2020
	€	€
Current Assets		
Other receivables:		
Prepaid insurance	400	600
Accrued rent receivable	500	-
Current Liabilities		
Other payables:		
Accrued wages	1,600	2,100
Prepaid rent receivable	-	1,000

During the year ended 31 December 2020 the following receipts and payments were recorded:

	€
Wages total for year	29,800
Insurance total for year	5,650
Rent received	7,500

Required:

Prepare the following accounts for the year ended 31 December 2020 clearly showing the amounts transferred to the statement of profit or loss:

- a) The insurance account. (5)
- b) The wages account. (5)
- c) The rent receivable account. (5)

(Total: 15 marks)